



DAP USER GUIDE FOR MAP LENDERS

CHAPTER SIX – VALUATION: APPRAISING A PROJECT

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6

Valuation: Appraising a Project

The Development Application Processing (DAP) Valuation subsystem automates the analysis of the A&E and Cost subsystem data to determine if the subject project is feasible. In SAMA, Conditional, and Firm phases, the appraiser enters the remaining data and the assignment is passed on to the Mortgage Credit Examiner for underwriting.

Objectives

- Retrieving Valuation assignments
- Linking to an A&E assignment
- Linking to a Cost assignment
- Entering neighborhood and site information
- Estimating net operating income
- Specifying a special assessment
- Estimating annual and ancillary expenses
- Computing net income
- Estimating replacement cost
- Estimating operating deficit
- Analyzing and appraising the project site
- Determining an income approach to valuation
- Determining a comparison approach to valuation
- Determining the Replacement Cost or Fair Market Value of a property
- Recording appraisers' certification
- Entering Remarks tab data

6.1 About Valuation

Using the Valuation subsystem, you develop conclusions with respect to feasibility, suitability of improvements, extent, quality, and duration of earning capacity, as well as other factors that have a bearing on the economic soundness of the project.

All mandatory data fields are displayed in bold type.

After logging onto the system (*see Chapter 2, section 2.1*), the **Development Application Processing** window (Figure 1) displays a Menu bar and a Toolbar. Refer to Chapter 2, Getting Started for detailed instructions on how to navigate the DAP system.

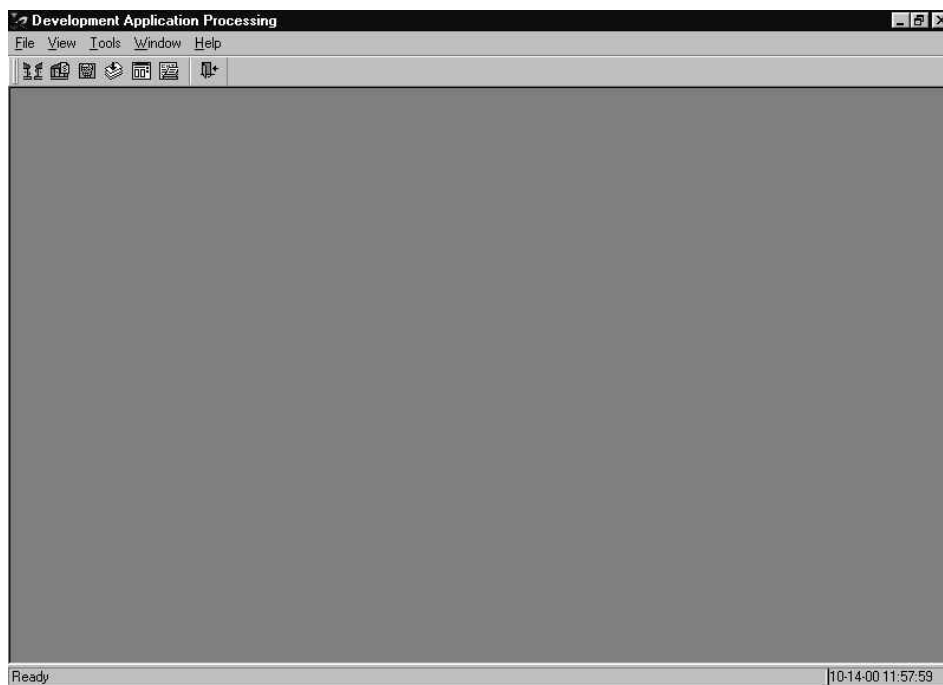


Figure 1. Development Application Processing Window

6.2 Retrieving an Assignment

To complete a Valuation analysis you must first retrieve the assignment record. An assignment is the task of completing a valuation analysis for a proposed FHA-insured multifamily housing project. Search for your assignments using any of several criteria (Project Number, Project Name, Staff Name, Discipline Type, etc.) and select the assignment you want to work on from an alphabetical list of projects. The results of your search are in table form and display summary information about the application, including project name, project/FHA number, version number, discipline type, staff name, phase name, etc. Only the assigned analyst is able to enter and edit data.

Other DAP users may retrieve and view a Valuation assignment that is in-process or complete.

To retrieve an Valuation assignment:

1. From the **DAP Main** window, select **F**ile, then **O**pen, and the menu options (Figure 2) display.



Figure 2. Technical Processing Menu Option

2. Select **T**echnical **P**rocessing, and the **A**ssignment **S**earch window (Figure 3) displays.

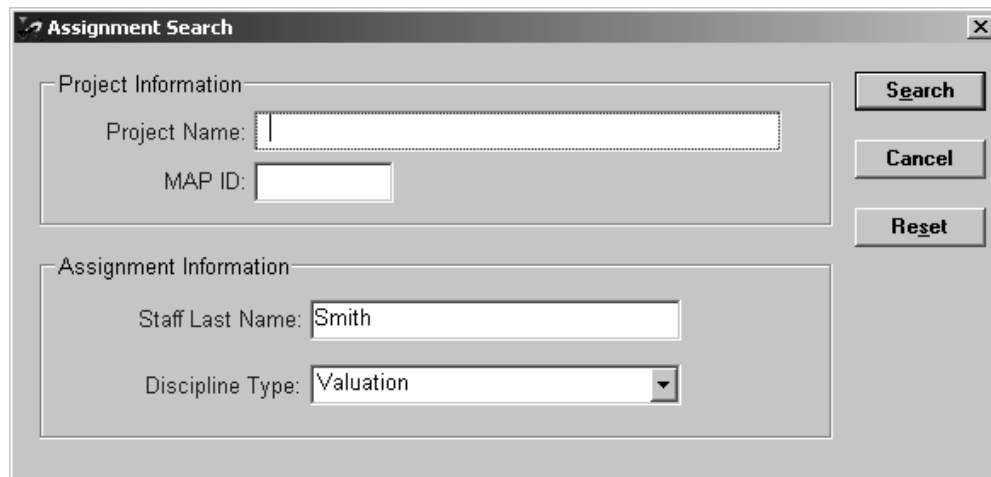
A screenshot of a window titled 'Assignment Search'. The window has a close button (X) in the top right corner. It is divided into two main sections: 'Project Information' and 'Assignment Information'. In the 'Project Information' section, there are two text input fields: 'Project Name:' and 'MAP ID:'. In the 'Assignment Information' section, there are two input fields: 'Staff Last Name:' with the text 'Smith' entered, and 'Discipline Type:' with a dropdown menu showing 'Valuation'. To the right of these sections are three buttons: 'Search', 'Cancel', and 'Reset'.

Figure 3. Assignment Search Window

3. Enter one or more of the project or assignment search criteria:

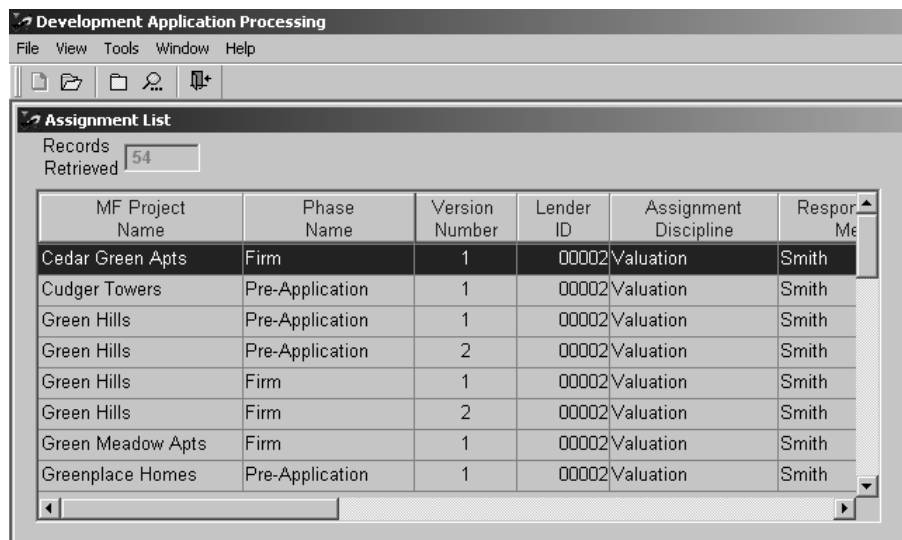
Project Information

- *Project Name* (partial or complete number)
- *MAP ID* (partial or complete number)

Assignment Information

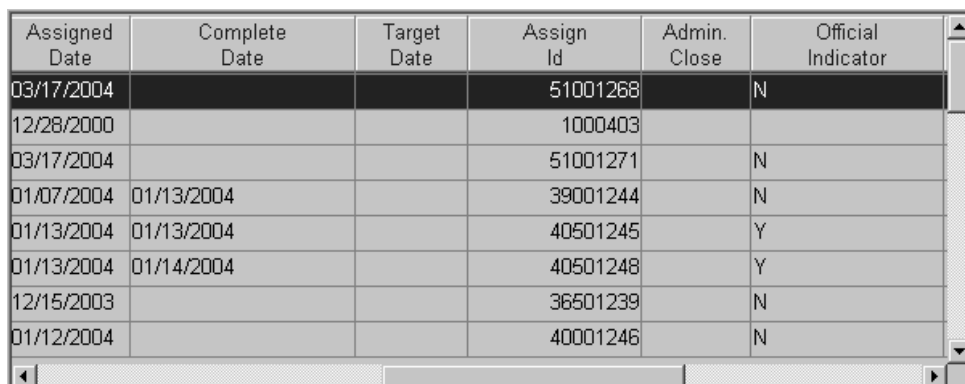
- *Staff Last Name* (the analyst processing the assignment; you may search using the partial or complete name in upper or lower case)
- *Discipline Type* (analyst's technical discipline; from the drop-down list)
- *Field Office*

4. Click **Search**, and the **Assignment List** window (Figure 4 through Figure 6) displays.



MF Project Name	Phase Name	Version Number	Lender ID	Assignment Discipline	Respor. Me
Cedar Green Apts	Firm	1	00002	Valuation	Smith
Cudger Towers	Pre-Application	1	00002	Valuation	Smith
Green Hills	Pre-Application	1	00002	Valuation	Smith
Green Hills	Pre-Application	2	00002	Valuation	Smith
Green Hills	Firm	1	00002	Valuation	Smith
Green Hills	Firm	2	00002	Valuation	Smith
Green Meadow Apts	Firm	1	00002	Valuation	Smith
Greenplace Homes	Pre-Application	1	00002	Valuation	Smith

Figure 4. Assignment List Window (1 of 3)



Assigned Date	Complete Date	Target Date	Assign Id	Admin. Close	Official Indicator
03/17/2004			51001268		N
12/28/2000			1000403		
03/17/2004			51001271		N
01/07/2004	01/13/2004		39001244		N
01/13/2004	01/13/2004		40501245		Y
01/13/2004	01/14/2004		40501248		Y
12/15/2003			36501239		N
01/12/2004			40001246		N

Figure 5. Assignment List Window (2 of 3)

	Admin. Close	Official Indicator	Assignment Notes
68		N	
03			
71		N	Changed interest rate to 5.25%
14		N	
15		Y	
18		Y	
39		N	
46		N	

Figure 6. Assignment List Window (3 of 3)

- Highlight an assignment, using the scroll bars to view the entire list, if necessary.
- From the **File** menu, select **Open**, and the **Valuation Main Menu** window (Figure 7) displays.

Figure 7. Valuation Main Menu Window

If you are the assigned Appraiser for the project and this is the first time you are opening this assignment, you must record the date you begin processing. See Section 66.3.1 for more information.

If you are the assigned Appraiser and you are updating the Valuation assignment, you may receive one or more warning messages:

- The A&E and/or Cost analyst created a new analysis version. You may choose to continue processing using the currently linked A&E and Cost assignments or you may choose to stop processing until the new A&E and Cost assignments are closed, and then link to the most recent version of A&E and Cost. See Section 66.3.2.
- There is a mismatch between your Valuation assignment and the linked A&E and Cost assignments. Correct the mismatch before continuing your analysis by linking your Valuation assignment to A&E and Cost assignments that are linked to each other. See Section 66.3.2.

DAP users with view-only rights will not see the warning messages.

6.3 Creating a Valuation Analysis

The **Valuation Main Menu** window (Figure 7) displays project reference data (Project Name, Project/FHA Number, and Project address) and five tabs: General, Assignment, A&E Assignment, Cost Analysis, and Remarks.

The General tab displays first by default. The menu radio buttons on the General tab correspond to a section of form HUD-92264 and enable you to enter data for processing the assignment (see Section 6.4).

The Assignment tab (Section 66.4.13) displays Valuation assignment information, such as the date processing of the assignment started, date the assignment was closed, and any Valuation notes.

The Valuation assignment needs data from the A&E and Cost assignments to complete the processing. Use the A&E Assignment and Cost Analysis tabs (Section 66.3.2) to link to an A&E and Cost assignment.

The Remarks tab (Section 66.4.14) displays remarks and conclusions about the assignment.

Suggested Valuation Processing Order

After linking an A&E and Cost assignment to the Valuation assignment, you may select the Valuation Menu options in any order to process the Valuation Assignment. However, the processing order suggested below makes data available that is needed in subsequent steps.

- (1) Neighborhood and Site Information
- (2) Estimate of Income
- (3) Special Assessment
- (4) Estimate of Annual Expense
- (5) Income Computations
- (6) Project Site Analysis and Appraisal
- (7) Income Approach to Value
- (8) Estimated Replacement Cost
- (9) Comparison Approach to Value (Refinance Only)
- (10) Reconciliation
- (11) Estimate of Initial Operating Deficit (Except Refinance)
- (12) Appraiser Certification

6.3.1 Recording the Start of Work

When opening a Valuation assignment for the first time, the **Valuation Start Date** window (Figure 8) displays only for the assigned Appraiser to initiate the recording of the start date. The system records the current date as the *Start* date on the Assignment tab (Figure 9). The *Start* date is view only and cannot be changed or deleted.

After the start date is recorded, the Appraiser gains access to the Valuation subsystem and can begin processing the Valuation assignment. DAP users with view-only rights will not receive the start date message but can access and view the Valuation analysis information.

When opening the Valuation assignment, you may encounter various informational messages. See Section 6.6 for more information.

To enter the start date for a new assignment:

1. From the **DAP Main** window, select **F**ile, then **O**pen, and the menu options (Figure 2) display.
2. Select **T**echnical **P**rocessing, and the **Assignment Search** window (Figure 3) displays.
3. Enter your search criteria, and click . The **Assignment List** window (Figure 4) displays.
4. Select and open a Valuation assignment, and the **Valuation Start Date** window displays (Figure 8).

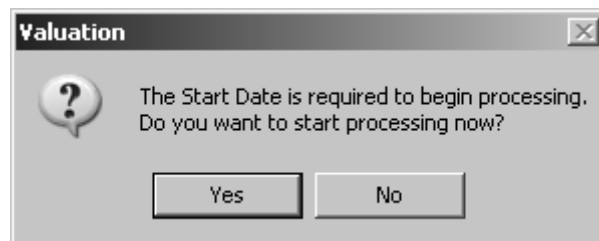


Figure 8. Valuation Start Date Window

5. Click , and the **Valuation Main Menu** window displays. The system displays the *Start Date*, which is the current date, on the Assignment tab (Figure 9).

If you click , the system closes the Valuation subsystem and returns to the **Assignment List** window.

Valuation Main Menu

Project Name: Proj/FHA Number:
Project Address:

General **Assignment** A&E Assignment Cost Analysis Remarks

Reason: Discipline:

Field Office: Version #:

Notes...

Dates

Assigned: Start:
Target: Date Assgmt Closed:

Responsible Staff Member

Staff Name: Official: ☐

Figure 9. Assignment Tab with System-Generated Start Date

6.3.2 Linking A&E and Cost Assignments to the Valuation Assignment

To process the Valuation assignment, you need the analysis information from the A&E and Cost assignments. This section describes how to link (associate) those assignments to your Valuation assignment and link to different assignment versions of A&E and/or Cost when data change.

6.3.2.1 A&E Assignment Tab: Linking to the Valuation Assignment

The A&E Assignment tab (Figure 10) displays a summary of all closed (complete) A&E assignments for the current phase of a project. If more than one version exists, they are numbered sequentially. Before processing, you must link your Valuation assignment to a closed A&E assignment.

Valuation Main Menu

Project Name: Proj/FHA Number:
 Project Address:

General | Assignment | **A&E Assignment** | Cost Analysis | Remarks

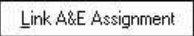
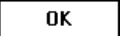
Link Ind	Map	Version	Official Flag	Responsible Staff Member	Field Office	Target Date
<input checked="" type="checkbox"/>	Y	1	N	Smith		
<input type="checkbox"/>	Y	2	N	Smith		

Figure 10. Valuation Main Menu Window - A&E Assignment Tab

To view an A&E Analysis assignment:

1. From the **Valuation Main Menu** window (Figure 10), select the A&E Assignment tab.
2. Highlight the assignment you want to view.
3. Click , and the **A&E - General** window displays.
4. From the **File** menu on the **A&E - General** window, select **C**lose, and you return to the A&E Assignment tab in the Valuation subsystem.

To link the Valuation assignment to an A&E assignment:

1. From the **Valuation Main Menu** window (Figure 10), select the A&E Assignment tab.
2. Highlight the A&E assignment you want to link to the Valuation assignment.
3. Click , and a dialog box displays indicating the A&E assignment was successfully linked to your Valuation assignment.
4. Click  to return to the A&E Assignment tab on the **Valuation Main Menu** window. A check mark indicates the A&E assignment linked to the Valuation assignment.

You may select a different version of the A&E assignment, if needed, by repeating these steps.

To link to the latest version of an A&E Assignment

If data change in A&E, the system notifies you of the new assignment version. You may then decide to link to the latest version of the A&E assignments.

1. After opening the Valuation subsystem and displaying the **Valuation Main Menu** window, the **Information** dialog box (Figure 11) displays informing you that you are not linked to the most recent A&E assignment.

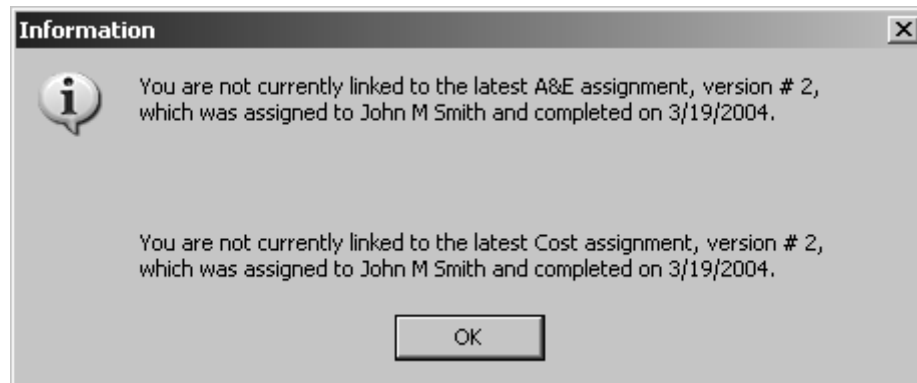
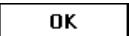
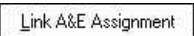
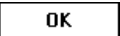


Figure 11. Information Window - Linked Assignment Window

2. Click  to close the window.
3. Select the A&E Assignment tab, and highlight the most recent A&E assignment.
4. Click , and the A&E Assignment dialog box displays stating you are now linked to the new A&E assignment.
5. Click  to return to the A&E Assignment tab. A check mark indicates the A&E assignment linked to the Valuation assignment.

6.3.2.2 Cost Analysis Tab: Linking to the Valuation Assignment

The Cost Analysis tab (Figure 12) displays a summary of all Cost assignments for the current phase of a project. If more than one version exists, they are numbered sequentially. Before processing, you must link your Valuation assignment to either an open or closed (completed) Cost Analysis assignment. If the Cost Analysis assignment is closed, there is a Complete Date on the list of Cost Assignments.

Valuation Main Menu

Project Name: Proj/FHA Number:
 Project Address:

General | Assignment | A&E Assignment | **Cost Analysis** | Remarks

Link Ind	Map	Version	Official Flag	Responsible Staff Member	Field Office	Target Date
<input type="checkbox"/>	Y	2	N	Smith		
<input checked="" type="checkbox"/>	Y	1	N	Smith		

Figure 12. Valuation Main Menu Window - Cost Analysis Tab

To view the Cost Analysis assignment:

1. From the **Valuation Main Menu** window (Figure 12), select the Cost Analysis tab.
2. Highlight the assignment you want to view.
3. Click , and the **Cost Analysis - General** window displays.
4. From the **File** menu on the **Cost Analysis - General** window, select **C**lose, and you return to the Cost Analysis tab in the Valuation subsystem.

To link the Valuation assignment to a Cost assignment:

1. From the Valuation Main Menu window (Figure 12), select the Cost Analysis tab.
2. Highlight the Cost assignment you want to link to the Valuation assignment.
3. Click , and a dialog box displays indicating the Cost assignment was successfully linked to your Valuation assignment.
4. Click to return to the Cost Analysis tab on the Valuation Main Menu window. A check mark indicates the Cost assignment linked to the Valuation assignment.

You may select a different version of the Cost assignment, if needed, by repeating these steps.

To link to the latest version of an Cost Assignment

If data change in Cost, the system notifies you of the new assignment version. You may then decide to link to the latest version of the Cost assignments.

1. After opening the Valuation subsystem and displaying the **Valuation Main Menu** window, the **Information** dialog box (Figure 13) displays informing you that you are not linked to the most recent AE assignment.

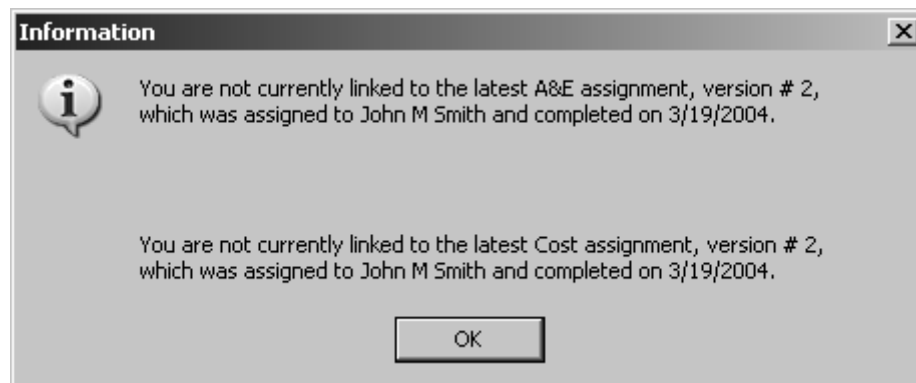


Figure 13. Information Window - New Version of a Closed Assignment Created

2. Click to close the window.
3. Select the Cost Assignment tab, and highlight the most recent Cost assignment.
4. Click , and the Cost Assignment dialog box displays indicating you are now linked to the new Cost assignment.
5. Click to return to the Cost Assignment tab. A check mark indicates the Cost assignment linked to the Valuation assignment.

To link to another assignment after a Cost assignment is administratively closed:

When the Tracking Rep administratively closes the Cost assignment linked to your Valuation assignment, the system displays an information message. You must link your Valuation assignment to a different (open or closed) Cost assignment.

1. On opening the Valuation subsystem and displaying the **Valuation Main Menu** window, the Administrative Closed window (Figure 14) displays. Click to close the window.

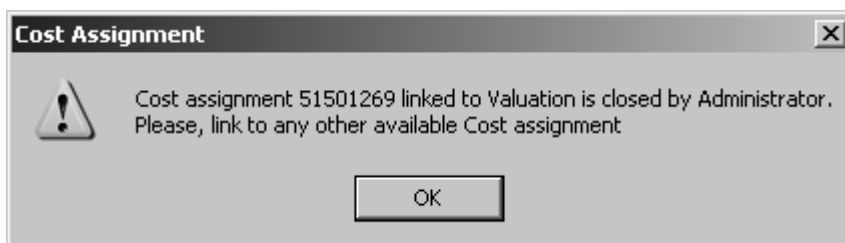


Figure 14. Linked Cost Assignment - Administratively Closed

2. Select the Cost Assignment tab (Figure 15), and the *Adm Closed* column now displays in the table.

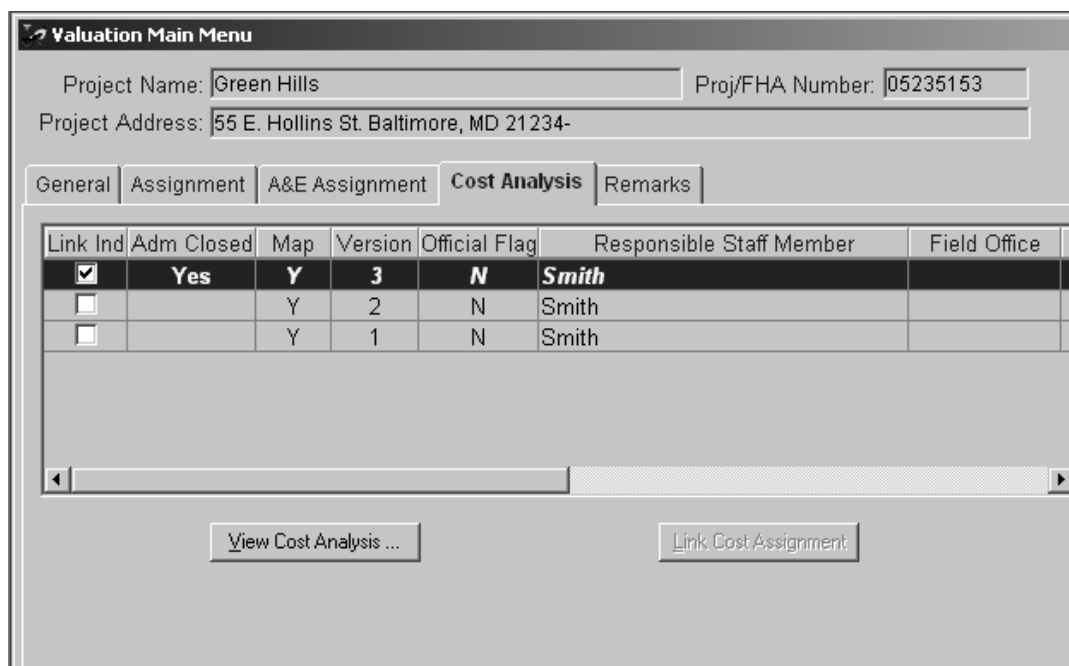


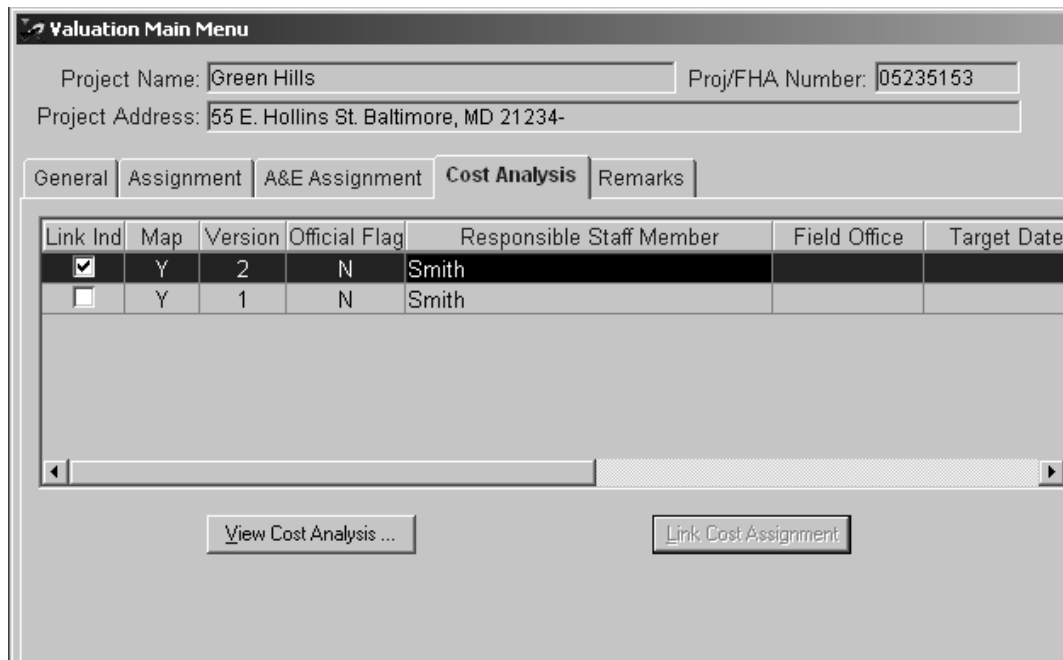
Figure 15. Cost Analysis Tab - Assignment Administratively Closed

Note the check mark in the *Link Ind* column for the currently linked assignment. The currently linked assignment now displays in italics, and *Yes* is in the *Adm Closed* column.

3. Select another Cost assignment.
4. Click , and the system displays a message indicating the Cost assignment was successfully linked to your Valuation assignment.

5. Click to save and return to the Cost Analysis tab (Figure 16).

A check mark displays in the box next to the Cost assignment you linked to your Valuation assignment. The assignment that was administratively closed no longer displays, and only open and closed assignments are listed.



Valuation Main Menu

Project Name: Proj/FHA Number:
Project Address:

General | Assignment | A&E Assignment | **Cost Analysis** | Remarks

Link Ind	Map	Version	Official Flag	Responsible Staff Member	Field Office	Target Date
<input checked="" type="checkbox"/>	Y	2	N	Smith		
<input type="checkbox"/>	Y	1	N	Smith		

Figure 16. Cost Analysis Tab - Linked to New Assignment

6.3.2.3 Copying Valuation Analysis Information

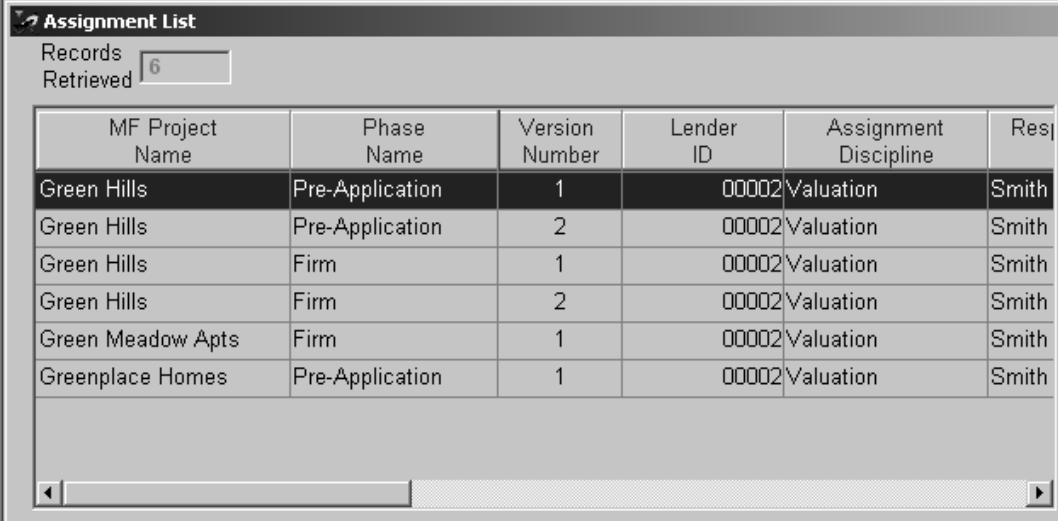
After an assignment is closed, all Valuation information becomes view only. If you need to add or change information in a closed assignment, request the Tracking Rep make a new assignment or, if you have the rights, create your own new version of the closed assignment. (This is a Self Assignment. See Chapter 3, Entering and Tracking an Application, Section 3.10.2 for more information about creating a self-assignment.) The new version contains only the data entered in Tracking; it does not contain the information from the previous Valuation version.

If you can use data from a closed Valuation assignment version, the system enables you to copy all analysis information, including the Tracking notes (but not the start and complete dates) from the closed version into the new assignment version. If you begin entering data into a new version and then decide to copy a previous analysis, the data from the copied version overwrites any data you may have entered. You then can revise the data as needed.

The following information is copied from the previous Valuation assignment to the new assignment: all properties and related information, structures and related information, unit composition definitions, and Tracking notes.

To copy information from a previous Valuation assignment:

1. Search for the project using the *Project Number* and “Valuation” as the *Discipline* (see Section 6.1), and the **Assignment List** window (Figure 17) displays all versions of the assignment for the project.



The screenshot shows a window titled "Assignment List". At the top, it says "Records Retrieved 6". Below this is a table with the following columns: MF Project Name, Phase Name, Version Number, Lender ID, Assignment Discipline, and Res. The table contains six rows of data.

MF Project Name	Phase Name	Version Number	Lender ID	Assignment Discipline	Res
Green Hills	Pre-Application	1	00002	Valuation	Smith
Green Hills	Pre-Application	2	00002	Valuation	Smith
Green Hills	Firm	1	00002	Valuation	Smith
Green Hills	Firm	2	00002	Valuation	Smith
Green Meadow Apts	Firm	1	00002	Valuation	Smith
Greenplace Homes	Pre-Application	1	00002	Valuation	Smith

Figure 17. Assignment List Window

2. Open the most recent version of the Valuation assignment from the **Assignment List** window, and the **Valuation Main Menu** window (Figure 7) displays.

- From the **File** menu, select **Copy Valuation** (Figure 18), and the **Copy from Previous Assignment** window (Figure 19 and Figure 20) displays all closed versions of the assignment.



Figure 18. Copy Valuation Menu Option

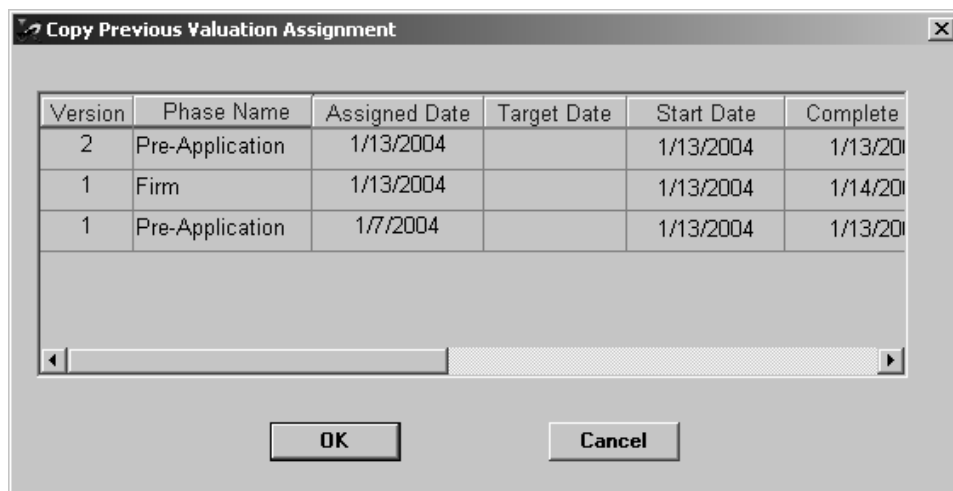


Figure 19. Copy from Previous Assignment - Completed Assignments (1 of 2)

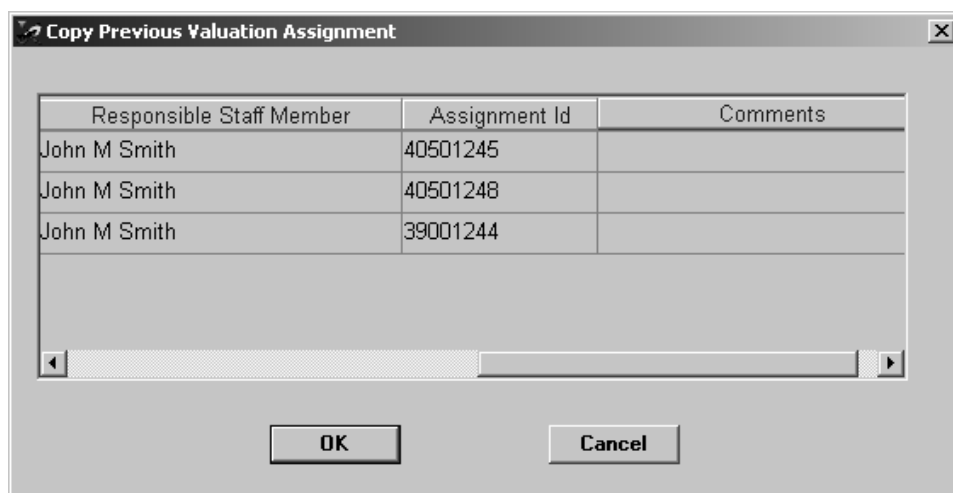


Figure 20. Copy from Previous Assignment - Completed Assignments (2 of 2)

4. Highlight the analysis you want to copy.
5. Click , and the **Copy Valuation Assignment** dialog box (Figure 21) displays.

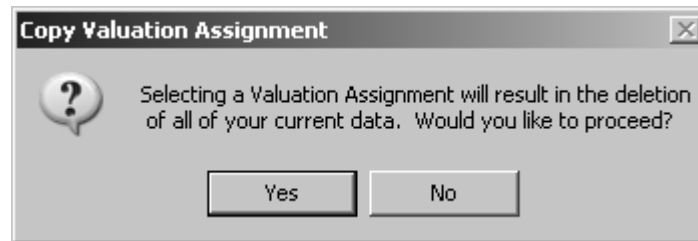


Figure 21. Copy Valuation Assignment Dialog Box

6. Click , and the system copies all data from the previous assignment, except the *Start* date and *Date Assgmt Closed*. When finished, the **Copy Complete** dialog box displays (Figure 22).

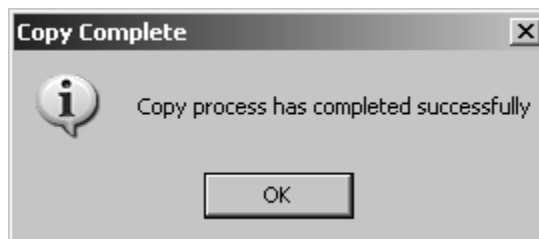


Figure 22. Copy Complete Dialog Box

7. Click to return to the **Valuation Main Menu** window.

6.4 Processing the Valuation Assignment from the Valuation Main Menu

After completing the initial assignment set up, you may begin entering the appraisal data for the project in the Valuation assignment. Table 1 shows the processing items, displayed on the General tab, needed for each program and development phase. The items listed correspond to the sections on form HUD-92264. Before processing, you must link to an A&E assignment and a Cost Analysis (see Section 6.3.2).

Table 1. Valuation Menu Items

Application Phase	Pre-App	Firm		Link to A&E Assignment required	Link to Cost Assignment required
Program Type	221d3 221d4 220	223f	221d3 221d4 220		
Sub-function					
Site and Neighborhood Info	X	X	X	Yes	
Estimate Income	X	X	X		
Special Assessment	X	X	X		
Estimate Annual Expense	X	X	X		Warning message
Income Computation	X	X	X	Yes	Warning message
Estimated Replacement Cost		X ¹	X	Yes	Yes
Estimate Initial Operating Deficit			X	Yes	Yes
Project Analysis and Appraisal		X	X	Yes	
Income Approach to Value	X	X	X	Yes	
Comparison Approach to Value		X		Yes	
Reconciliation		X	X	Yes	
Appraiser Certification	X	X	X	Yes	
Pre-Application 92264-A Trial	X				
Conclusion & Remarks	X	X	X		
A&E Assignment Required?	Yes	Yes	Yes		
Cost Assignment Required?	Yes	Yes	Yes		

¹For MAP projects, you do not have to perform a hypothetical “As-New” analysis. You need only enter the 92264-A fields used by the MCE. Enter the Summation value on the Reconciliation tab.

6.4.1 Neighborhood and Site Information

The **Neighborhood and Site Information** window (Figure 23) displays five tabs for entering information about the neighborhood and site(s) of the project. You can record the characteristics of the neighborhood and site location, and record other information concerning the land or property. The overall project and quality of the dwelling units can be rated. The Neighborhood Info tab displays first by default.

6.4.1.1 Neighborhood Info

The Neighborhood Info tab on the **Neighborhood and Site Information** window (Figure 23) is where you describe the neighborhood, type of occupancy, and present land use.

The screenshot shows the 'Neighborhood and Site Information' window with the 'Neighborhood Info' tab selected. The window title is 'Development Application Processing'. The menu bar includes File, Edit, View, Window, and Help. The toolbar contains various icons for file operations and data entry.

Project Name: Proj/FHA Number:
 Project Address:

Neighborhood Info | Site Info | Additional Land Info | Unit Rating | Project Rating

Neighborhood Description

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural
Built Up	<input type="checkbox"/> Fully Developed	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%
	<input type="checkbox"/> Under 25%		
Growth Rate	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow
Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply
Rent Controls	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Likely

Present Land Use

<input type="text" value="35.00"/> % 1 Family	<input type="text" value="3.00"/> % 2 to 4 Family
<input type="text" value="25.00"/> % Multifamily	<input type="text" value="2.00"/> % Condo/Coop
<input type="text" value="10.00"/> % Commercial	<input type="text" value="5.00"/> % Industrial
<input type="text" value="20.00"/> % Vacant	

Change In Use:

☐ Not Likely ☐ Likely ☒ Taking Place

From: To:

Predominant Occupancy: ☒ Owner ☐ Tenant % Vacant

Description of Neighborhood (Note: Race and racial composition of the neighborhood are not appraisal factors). Describe the boundaries of the neighborhood and those factors, favorable or unfavorable, that affect marketability, including neighborhood stability, appeal, property conditions, vacancies, rent controls, etc.

3-19-04 13:04:59

Figure 23. Neighborhood and Site Information Window - Neighborhood Info Tab

To enter neighborhood and site information:

1. From the **Valuation Main Menu** window (Figure 7), select the *Neighborhood & Site Information* radio button.
2. Click , and the **Neighborhood and Site Information** window displays with the Neighborhood Information tab selected by default.
3. Select the appropriate check boxes beside each Neighborhood Description:
 - *Location*
 - *Built Up*
 - *Growth Rate*
 - *Property Values*
 - *Demand Supply*
 - *Rent Controls*
4. Enter the Present Land Use percentage:
 - *% 1 Family*
 - *% 2 to 4 Families*
 - *% Multifamily*
 - *% Condo/Coop*
 - *% Commercial*
 - *% Industrial*
 - *% Vacant*
5. Complete the Change In Use section, if applicable:
 - Check one of the boxes for *Not Likely*, *Likely*, or *Taking Place*
 - Enter the *From* and *To* dates for the Change in Use
6. Complete the Predominant Occupancy section, if applicable:
 - Check one of the boxes for Owner or Tenant
 - Enter the *% Vacant*
7. Enter a description of the neighborhood and those factors that affect marketability in the text box.
8. Save your work.
9. Select another tab to continue processing.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.1.2 Site Info

The Site Info tab (Figure 24) on the **Neighborhood and Site Information** window displays data that identifies the site qualities, e.g., dimensions and zoning.



Note: For projects with scattered sites, you need to enter data for each site. The **Site List** window displays first for you to select the site.

Development Application Processing

File Edit View Window Help

Neighborhood and Site Information

Project Name: Green Hills Proj/FHA Number: 05235153

Project Address: 55 E. Hollins St. Baltimore, MD 21234-

Neighborhood Info Site Info Additional Land Info Unit Rating Project Rating

Zoning: R-4 Medium Density Multifamily

Zoning Compliance

- ☒ Legal
- ☐ Illegal
- ☐ Legal nonconforming (Grandfathered use)
- ☐ No Zoning

Highest and Best Use Improved:

- ☒ Present Use
- ☐ Proposed use
- ☐ Other Use (explain)

Intended M/F Use (summarize: e.g., Market Rent: Hi - Med. - Lo-End; Rent Subsidized; Rent Restricted with or without Subsidy; Applicable Percentages)

Rent levels are anticipated to be toward the mid-to-upper end of market demand within the submarket area.

13-19-04 13:06:02

Figure 24. Neighborhood and Site Information Window - Site Info Tab

To enter/update site information:

1. From the **Neighborhood and Site Information** window, select the Site Info tab.
2. If the project has multiple sites, double click on the site (from the Site List) you want to enter data.
3. Enter the following information using the radio buttons and text boxes:
 - *Zoning*
 - *Zoning Compliance*
 - *Highest and Best Use Improved*
 - *Intended M/F Use*
4. Save your work.

5. Select another tab (or site) to continue processing.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.1.3 Additional Land Info

The Additional Land Info tab (Figure 25) on the **Neighborhood and Site Information** window displays data relevant to the acquisition of the property, e.g., purchase price and annual ground rent.



Note: For projects with scattered sites, you need to enter data for each site. The **Site List** window displays first for you to select the site.

Development Application Processing

File Edit View Window Help

Neighborhood and Site Information

Project Name: Green Hills Proj/FHA Number: 05235153

Project Address: 55 E. Hollins St. Baltimore, MD 21234-

Neighborhood Info Site Info **Additional Land Info** Unit Rating Project Rating

Date Acquired: 07/14/2003 Purchase Price: \$1,250,000 Additional Cost: \$105,000 Annual Ground Rent:

Total Cost: \$1,355,000 Outstanding Balance: \$855,750

Seller Buyer Relation: business

Has the Subject Property been sold in the past 3 years? ☐ Yes ☒ No If "Yes" Explain

3-19-04 13:06:32

Figure 25. Neighborhood and Site Information Window - Additional Land Info Tab

To enter additional land information:

1. From the **Neighborhood and Site Information** window, select the Additional Land Info tab.
2. If the project has multiple sites, double click the *Property Street Address* (from the Site List).
3. Enter the following data:
 - *Date Acquired*
 - *Purchase Price*
 - *Additional Cost*
 - *Annual Ground Rent*



Note: *If you enter a Leased Fee amount, the system requires you to enter the Annual Ground Rent on the **Neighborhood and Site Info** window's **Additional Land Info** tab and a Cap Rate amount on the **Income Approach to Value** window.*



Note: *The Annual Ground field is not mandatory. However, if you enter an amount for Annual Ground Rent, Option to Buy becomes mandatory.*

- *Outstanding Balance*
 - *Option to Buy* (The radio buttons display only when you enter an amount in *Annual Ground Rent*.)
 - *Seller Buyer Relation*
 - *Has the Subject Property been sold in the past 3 year?* If you select “yes”, you must enter an explanation in the text box.
3. Save your work.
 4. Select another tab (or site) to continue processing.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.1.4 Unit Rating

The Unit Rating tab (Figure 26) on the **Neighborhood and Site Information** window displays a scale for you to rate various qualities, e.g., plumbing and electrical, of the units.

Development: Application Processing

File Edit View Window Help

Project Name: Proj/FHA Number:

Project Address:

Neighborhood Info | Site Info | Additional Land Info | **Unit Rating** | Project Rating

	Good	Average	Fair	Poor
Condition of Improvement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Room Sizes and Layout	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Closets and Storage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kitchen Equipment, Cabinets, Workplace	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plumbing - Adequacy and Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electrical - Adequacy and Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soundproofing - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insulation - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Livability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appeal and Marketability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13-19-04 13:07:00

Figure 26. Neighborhood and Site Information Window - Unit Rating Tab

To enter unit rating information:

1. From the **Neighborhood and Site Information** window, select the Unit Rating tab.
2. Select the check box corresponding to the unit rating for each of the following:
 - *Condition of Improvement*
 - *Room Sizes and Layout*
 - *Adequacy of Closets and Storage*
 - *Kitchen Equipment, Cabinets, Workspace*
 - *Plumbing - Adequacy and Condition*
 - *Electrical - Adequacy and Condition*
 - *Soundproofing - Adequacy and Condition*
 - *Insulation - Adequacy and Condition*
 - *Overall Livability*
 - *Appeal and Marketability*
3. Save your work.
4. Select another tab to continue processing.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.1.5 Project Rating

The Project Rating tab (Figure 27) on the **Neighborhood and Site Information** window displays a scale for you to rate various qualities of the property, e.g., general appearance, amenities, unit mix, etc.

	Good	Average	Fair	Poor
Location	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Appearance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amenities & Rec. Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Density (units per acre)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unit Mix	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of Construction (matl. & finish)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Condition of Exterior	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Condition of Interior	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appeal to Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soundproofing - Vertical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soundproofing - Horizontal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Figure 27. Neighborhood and Site Information Window - Project Rating Tab

To enter project rating information:

1. From the **Neighborhood and Site Information** window, select the Project Rating tab.
2. Select the check box corresponding to the project rating for each of the following:
 - *Location*
 - *General Appearance*
 - *Amenities and Rec. Facilities*
 - *Density (units per acre)*
 - *Unit Mix*
 - *Quality of Construction (matl. and finish)*
 - *Condition of Exterior*
 - *Condition of Interior*
 - *Appeal to Market*
 - *Soundproofing - Vertical*
 - *Soundproofing - Horizontal*
3. Save your work.
4. Select another tab to continue processing.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.2 Estimate of Income

The **Estimate of Income** window (Figure 28) displays the *Total Estimated Monthly Gross Income at 100% Occupancy* and *Total Estimated Annual Gross Income at 100% Occupancy*. Four tabs allow you to enter rent information, ancillary income, commercial income, and personal benefit expenses. The Rental Income tab displays first by default.

6.4.2.1 Rental Income

The Rental Income tab (Figure 28 and) on the **Estimate of Income** window displays the Rent Schedule (R/S) List. The system computes the total number of A&E rent schedules and total monthly rental income and it displays at the bottom of the window. The View A&E Rent Schedules button allows you to view and copy unit types into the Rent Schedule (R/S) List that were set up in A&E. You may add, edit, and delete Rent Schedules.

Development Application Processing

File Edit View Window Help

Valuation - Estimate of Income

Project Name: Green Hills Proj/FHA Number: 05235153

Project Address: 55 E. Hollins St. Baltimore, MD 21234-

Total Estimated Monthly Gross Income at 100% Occupancy: \$0

Total Estimated Annual Gross Income at 100% Occupancy: \$0

Rental Income Ancillary Income Commercial Income Personal Benefit Expense

Rent Schedule (R/S) List								
R/S Id	Restr.	Sec 8	%	Unit Type	Building Type	# of Units	Sq Ft	Rent Per Month

A&E rent schedule count: 3 Total Monthly Rental Income: \$0

View A&E Rent Schedules ...

Figure 28. Estimate of Income Window - Rental Income Tab (1 of 2)

The composition of each unit type is abbreviated. You will see the expanded forms when you view the **Rent Schedule Maintenance** window (Figure 40).

Composition of Units	PBE Not in Rent	Special Characteristics
----------------------	-----------------	-------------------------

Figure 29. Estimate of Income Window - Rental Income Tab (2 of 2)

To copy rent schedules from A&E rent schedule list:

1. From the **Valuation Main Menu** window, select the *Estimate of Income* radio button.
2. Click , and the **Estimate of Income** window displays the Rental Income tab.
3. Click . The **A&E Rent Schedule List** window (Figure 30) displays.

Reason: Assigned:
 Start: Target: Complete:
 Staff:

Unit Type	Building Type	Revenue Units	Living Area Sq Ft	Compo
1 Bedroom		21	945	1 KT, 1 LD, 1 FB
2 Bedroom		10	1208	1 KT, 1 LD, 1 FB, 1 HB
3 Bedroom		10	1627	1 KT, 1 LD, 1 FB, 1 HB, 1 FY

Figure 30. A&E Rent Schedule List Window

4. Select one or more unit types. (To select more than one unit, hold down the “shift” key.)
5. Click , and the selected Unit Types are copied and display in the Rent Schedule (R/S) List on the **Estimate of Income** window(Figure 31).

Valuation - Estimate of Income

Project Name: Proj/FHA Number:

Project Address:

Total Estimated Monthly Gross Income at 100% Occupancy:

Total Estimated Annual Gross Income at 100% Occupancy:

Rental Income | Ancillary Income | Commercial Income | Personal Benefit Expense

Rent Schedule (R/S) List

R/S Id	Restr.	Sec 8	%	Unit Type	Building Type	# of Units	Sq Ft	Rent Per Month
(a)	<input type="checkbox"/>	<input type="checkbox"/>		1 Bedroom		21	945	
(b)	<input type="checkbox"/>	<input type="checkbox"/>		2 Bedroom		10	1,208	
(c)	<input type="checkbox"/>	<input type="checkbox"/>		3 Bedroom		10	1,627	

A&E rent schedule count: 3

Total Monthly Rental Income:

Figure 31. Rent Schedule (R/S) List on the Rental Income tab

6. You may edit the rent schedule. See step 2 of the **To edit rent schedules** section below.
7. Save your work.
8. Select another tab to continue processing:

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

Any time the total number of units per unit type do not match the total number entered by the A&E Specialist, a **Validation Warning** (Figure 32) displays. Although the system gives you the option to continue without correcting the mismatch, you must make the correction before the appraisal is completed.

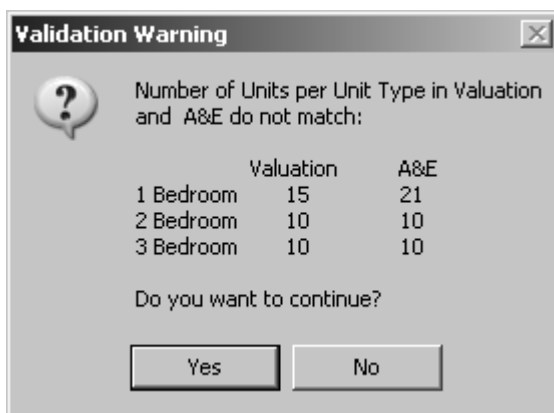


Figure 32. Validation Warning - Unit Type Mismatch

To edit rent schedules:

1. From the Rental Income tab on the **Estimate of Income** window (Figure 31), highlight the unit type from the R/S List that you want to edit.
2. Select **File**, then **Open**, and the **Rent Schedule Maintenance** window (Figure 33) displays.

Valuation - Rent Schedule Maintenance

Rent Schedule ID: (a) Unit Type: 1 Bedroom Building Type: 2 - 5 sty. Elev. Quantity: 15

Restricted Rent: ☐ Unit Rent Per Month: \$950 Rentable Area: 945

Section 8: ☐ Special Characteristics:

Rent by Market Comparison: ☐ PBE Amount:

☐ 40% ☐ 50% ☐ 60%

Income Limit: Max. Affordable Rent:

Est. Obtainable Rent:

Composition	Quantity
Kitchen (KT)	1
Living Room/Dining (LD)	1
Full Bath (FB)	1

Unit Assignment...

OK Cancel

Figure 33. Rent Schedule Maintenance Window

3. Indicate if the Rent Schedule is for restricted rent and/or if funding will come from Project based Section 8 Rental Assistance by checking the appropriate boxes. These two indicators will dictate what other entries you will need (see Table 2.) Click in the field where you want to modify data.

Table 2. Fields Appraiser must enter if Project based Section 8 and/or Restricted Rents are Indicated.

Field Name	Only Restricted Rent (see Figure 34)	Only Project based Section 8 (see Figure 35)	Both Restricted Rent & Project based Section 8 (see Figure 36)
Rent by Market Comparison	X	X	X
Income Limit %	X		X
Income Limit	X		X
Est. Obtainable Rent	X		
Project based Section 8 Contract Rent		X	X
Max. Affordable Rent	<i>Calculated</i>		<i>Calculated</i>
Unit Rent Per Month	<i>Calculated:</i> Lesser of Rent by Market Comparison, Max Affordable Rent or Est. Obtainable Rent	<i>Calculated:</i> Lesser of Rent by Market Comparison or Project based Section 8 Contract Rent	<i>Calculated:</i> Lesser of Rent by Market Comparison or Project based Section 8 Contract Rent

Valuation - Rent Schedule Maintenance

Rent Schedule ID: (d) Unit Type: 2 Bedroom Building Type: 2 - 5 sty. Elev. Quantity: 5

Restricted Rent: ☒ Unit Rent Per Month: \$875 Rentable Area: 1,208

Section 8: ☐

Rent by Market Comparison: \$1,150 Special Characteristics:

PBE Amount:

☐ 40% ☒ 50% ☐ 60%

Income Limit: \$35,000

Max. Affordable Rent: \$875

Est. Obtainable Rent: \$895

Composition	Quantity
Kitchen (KT)	1
Living Room/Dining (LD)	1
Full Bath (FB)	1
Half Bath (HB)	1

Unit Assignment...

OK Cancel

Figure 34. Rent Schedule Maintenance Window with Restricted Rent

Valuation - Rent Schedule Maintenance

Rent Schedule ID: (e) Unit Type: 3 Bedroom Building Type: 2 - 5 sty. Elev. Quantity: 5

Restricted Rent: ☐ Unit Rent Per Month: \$550 Rentable Area: 1,627

Section 8: ☒ Rent by Market Comparison: \$1,250 Special Characteristics:

PBE Amount:

☐ 40% ☐ 50% ☐ 60%

Income Limit:

Max. Affordable Rent:

Section 8 Contract Rent: \$550

Composition	Quantity
Kitchen (KT)	1
Living Room/Dining (LD)	1
Full Bath (FB)	1
Half Bath (HB)	1
Foyer (FY)	1
Balcony (BL)	1

Unit Assignment...

OK Cancel

Figure 35. Rent Schedule Maintenance Window with Project Based Section 8 Rent

Valuation - Rent Schedule Maintenance

Rent Schedule ID: (f) Unit Type: 1 Bedroom Building Type: 2 - 5 sty. Elev. Quantity: 6

Restricted Rent: ☒ Unit Rent Per Month: \$625 Rentable Area: 945

Section 8: ☒ Rent by Market Comparison: \$1,250 Special Characteristics:

PBE Amount:

☐ 40% ☒ 50% ☐ 60%

Income Limit: \$35,000

Max. Affordable Rent: \$875

Section 8 Contract Rent: \$625

Composition	Quantity
Full Bath (FB)	1
Living Room/Dining (LD)	1
Kitchen (KT)	1

Unit Assignment...

OK Cancel

Figure 36. Rent Schedule Maintenance Window with Project Based Section 8 and Restricted Rent

- If there are no Restricted Rents and/or Project Based Section 8 rent, enter the *Unit Rent per Month* amount (Figure 33).
- To modify the unit composition, click **Unit Assignment...** and see “To enter/ edit unit

composition” below for complete directions.

- Click to save the changes and display the information in the R/S List on the Rental Income tab on the **Estimate of Income** window (Figure 37). Click to return to the **Estimate of Income** window without saving the information.

Valuation - Estimate of Income

Project Name: Green Hills Proj/FHA Number: 05235153
 Project Address: 55 E. Hollins St. Baltimore, MD 21234-

Total Estimated Monthly Gross Income at 100% Occupancy: \$35,950
 Total Estimated Annual Gross Income at 100% Occupancy: \$431,400

Rental Income | Ancillary Income | Commercial Income | Personal Benefit Expense

R/S Id	Restr.	Sec 8	%	Unit Type	Building Type	# of Units	Sq Ft	Rent Per Month
(b)	<input type="checkbox"/>	<input type="checkbox"/>		2 Bedroom	2 - 5 sty. Elev.	5	1,208	\$1,000
(c)	<input type="checkbox"/>	<input type="checkbox"/>		3 Bedroom	2 - 5 sty. Elev.	5	1,627	\$1,150
(d)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		502 Bedroom	2 - 5 sty. Elev.	5	1,208	\$800
(e)	<input type="checkbox"/>	<input checked="" type="checkbox"/>		3 Bedroom	2 - 5 sty. Elev.	5	1,627	\$550
(f)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		501 Bedroom	2 - 5 sty. Elev.	6	945	\$620

A&E rent schedule count: 3 Total Monthly Rental Income: \$35,950

Figure 37. Rental Income Tab with Restricted Rents and Section 8 in R/S List

If you click and a Validation Error displays (see Figure 38 for an example), required information is missing and must be entered before proceeding.



Figure 38. Sample Validation Error - Rent Schedule Maintenance Window

To create a new rent schedule:

- From the **Estimate of Income** window, select a unit type from the R/S List that you want to edit.
- Select **File**, then **New**, and the **Rent Schedule Maintenance** window (Figure 42) displays.
- Enter the following:
 - Unit Type* (from the drop-down list)

- *Building Type* (from the drop-down list)
 - *Quantity*
 - *Rentable Area*
 - *Unit Rent Per Month*
 - *PBE Amount*
 - *Special Characteristics*
4. Indicate if the Rent Schedule is for restricted rent and/or if funding will come from Project based Section 8 Rental Assistance by checking the appropriate boxes. These two indicators will dictate what other entries you will need (see Table 2.)
 5. Click to complete the composition of units. See **To enter/ edit unit composition** in this section for complete instructions.
 6. After entering the information, click to save your work and return to the **Estimate of Income** window. Click to return to the **Estimate of Income** window without saving the information.

If you click and a Validation Error displays (see Figure 39), you must enter the required information before proceeding.

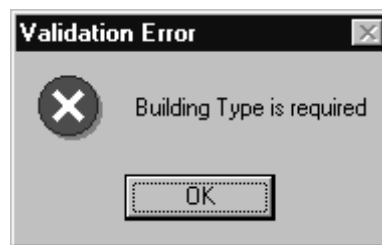


Figure 39. Sample Validation Error - Rent Schedule Maintenance Window

To enter/edit unit composition:

1. From the **Estimate of Income** window, select the Rental Income tab.
2. Select **File**, then **Open**, and the **Rent Schedule Maintenance** window displays.
3. Click to display the **Composition of Units** window (Figure 40).
Use the scroll bar to view all composition names in the Available frame that can be included in a unit.

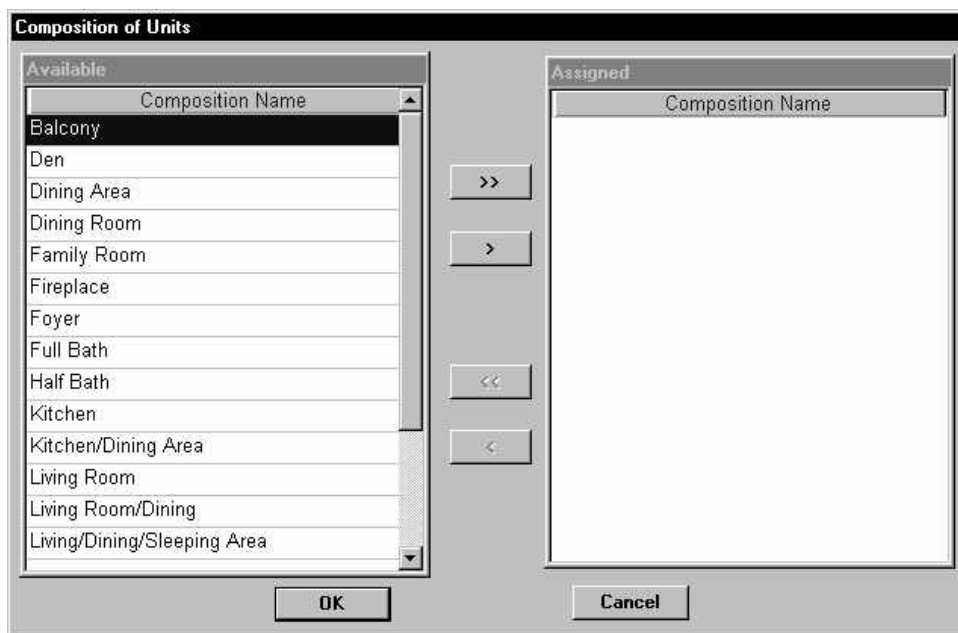




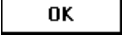


Figure 40. Composition of Units Window

4. Click an item in the Composition Name to select it.
5. Click  to add the selection to the Assigned frame.
- OR -
Click  to select and move all Composition Names to the Assigned frame.
Click  to return a selected Composition Names to the Available frame.
Click  to select and return all Composition Names to the Available frame.
6. Repeat steps 4 and 5 until all Composition Names for the unit are selected.
7. Click  to view your selections in the **Rent Schedule Maintenance** (Figure 41) window.

Valuation - Rent Schedule Maintenance

Rent Schedule ID: (f) Unit Type: 1 Bedroom Building Type: 2 - 5 sty. Elev. Quantity: 6

Restricted Rent: ☒ Unit Rent Per Month: \$625 Rentable Area: 945

Section 8: ☒ Rent by Market Comparison: \$1,250 Special Characteristics:

PBE Amount: ☐ 40% ☒ 50% ☐ 60%

Income Limit: \$35,000

Max. Affordable Rent: \$875

Section 8 Contract Rent: \$625

Composition	Quantity
Kitchen (KT)	1
Living Room/Dining (LD)	1
Full Bath (FB)	1

Unit Assignment...

OK Cancel

Figure 41. Rent Schedule Maintenance Window - View Composition Selections

- Adjust the quantity of each composition, if necessary.



Note: The default Quantity of each room on the **Rent Schedule Maintenance** window is one (1). You can edit this quantity on the window.

- Click and the composition information displays in the R/S List on the Rental Income tab on the **Estimate of Income** window.

To delete rent schedule:

- From the **Estimate of Income** window, select the Rental Income tab.
- Select the rent schedule.
- Click the right mouse button, and the **Edit** menu displays.
- Select **Delete**, and a confirm delete message displays.
- Click to delete the unit type.
- Save your work.

To view a rent schedule:

1. From the **Estimate of Income** window, select a unit type from the R/S List.
2. Select **File**, then **Open**, and the **Rent Schedule Maintenance** window (Figure 42) displays.

Valuation - Estimate of Income

Project Name: Proj/FHA Number:

Project Address:

Total Estimated Monthly Gross Income at 100% Occupancy:

Total Estimated Annual Gross Income at 100% Occupancy:

Rental Income | Ancillary Income | Commercial Income | Personal Benefit Expense

Rent Schedule (R/S) List

R/S Id	Restr.	Sec 8	%	Unit Type	Building Type	# of Units	Sq Ft	Rent Per Month
(b)	<input type="checkbox"/>	<input type="checkbox"/>		2 Bedroom	2 - 5 sty. Elev.	5	1,208	\$1,010
(c)	<input type="checkbox"/>	<input type="checkbox"/>		3 Bedroom	2 - 5 sty. Elev.	5	1,627	\$1,150
(d)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	50	2 Bedroom	2 - 5 sty. Elev.	5	1,208	\$870
(e)	<input type="checkbox"/>	<input checked="" type="checkbox"/>		3 Bedroom	2 - 5 sty. Elev.	5	1,627	\$550
(f)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	50	1 Bedroom	2 - 5 sty. Elev.	6	945	\$620

A&E rent schedule count: 3

Total Monthly Rental Income:

Figure 42. Rent Schedule Maintenance Window

3. After viewing the information, click or to return to the **Estimate of Income** window.

6.4.2.2 Ancillary Income

The Ancillary Income tab (Figure 43) on the **Estimate of Income** window displays the name of the ancillary income type, quantity, unit of measure, dollar amount of income per unit per month, and total monthly income per income type. You may add other ancillary income items as needed.

Valuation - Estimate of Income

Project Name: Proj/FHA Number:

Project Address:

Total Estimated Monthly Gross Income at 100% Occupancy:

Total Estimated Annual Gross Income at 100% Occupancy:

Rental Income **Ancillary Income** Commercial Income Personal Benefit Expense

Name	Quantity	Unit of Measure	Amount/Unit/Month	Total Monthly Income per Income Type
Open Spaces		Prk. Space		
Covered Spaces		Prk. Space		
Laundry		<input checked="" type="radio"/> Sq.Ft. <input type="radio"/> Lv.Unit		
Garage	40	each	\$150.00	\$6,000

Total Monthly Ancillary Income:

Figure 43. Estimate of Income Window - Ancillary Income Tab

To enter ancillary income information:

1. From the **Valuation Main Menu** window, select the *Estimate of Income* radio button.
2. Click , and the Rental Income tab displays by default.
3. Select the Ancillary Income tab.
4. Enter *Quantity* for each standard ancillary income item.
5. For *Laundry*, select the radio button to indicate the *Unit of Measure*.
6. Enter *Amount/Unit/Month* for each standard ancillary income item.
7. Click to add a new row for an additional ancillary income type.
8. Save your work.
9. Select another tab to continue processing.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.2.3 Commercial Income

The Commercial Income tab (Figure 44) on the **Estimate of Income** window displays the name of the commercial income type, quantity, unit of measure, dollar amount of income per unit per month, and total monthly income per income type. The *Total Monthly Commercial Income* displays at the bottom of the tab. The populated data originates from the A&E module.

Valuation - Estimate of Income

Project Name: Proj/FHA Number:

Project Address:

Total Estimated Monthly Gross Income at 100% Occupancy:

Total Estimated Annual Gross Income at 100% Occupancy:

Rental Income | Ancillary Income | **Commercial Income** | Personal Benefit Expense

Name	Quantity	Unit of Measure	Amount/Unit/Month	Total Monthly Income per Income Type
Area-Ground Level		Sq. Ft.	0.00	
Other Levels		Sq. Ft.	\$0.00	

Total Monthly Commercial Income:

Figure 44. Estimate of Income Window - Commercial Income Tab

To enter commercial income:

1. From the **Valuation Main Menu** window, select the *Estimate of Income* radio button.
2. Click , and the Rental Income tab displays by default.
3. Select the Commercial Income tab.
4. Enter *Amount/Unit/Month*.
5. Save your work.
6. Select another tab to continue processing.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.



Note: *Commercial Income and Space Limitations for each program type:*

Program Type	Space Limitation	Income Limitation
220	20%	30%
221(d)(3) & 221(d)(4)	10%	15%
223(f)	20%	25%

6.4.2.4 Personal Benefit Expenses

The Personal Benefit Expenses tab (Figure 45) on the **Estimate of Income** window displays the Tenant Employee Paid Utilities and Landlord Employer Paid Utilities and the monthly cost of each.

Valuation - Estimate of Income

Project Name: Proj/FHA Number:

Project Address:

Total Estimated Monthly Gross Income at 100% Occupancy:

Total Estimated Annual Gross Income at 100% Occupancy:

Rental Income | Ancillary Income | Commercial Income | **Personal Benefit Expense**

Tenant Employee-Paid Utilities

Type(s): Monthly Cost:

Landlord Employer-Paid Utilities

Type(s): Monthly Cost:

Figure 45. Estimate of Income Window - Personal Benefits Expenses Tab

To enter Personal Benefit Expenses:

1. From the **Valuation Main Menu** window, select the *Estimate of Income* radio button.
2. Click , and the Rental Income tab displays by default.
3. Select the Personal Benefits Expense tab.
4. Enter the Tenant Employee - Paid Utilities *Type(s)*.
5. Enter the *Monthly Cost*.
6. Enter the Landlord Employer - Paid Utilities *Type(s)*.
7. Enter the *Monthly Cost*.
8. Save your work.
9. Select another tab to continue processing.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.3 Special Assessment

The **Special Assessment** window (Figure 46) displays whether the Special Assessment is *Prepayable*. If so, enter *Principal Balance*, *Annual Payment*, and *Remaining Term*. A special assessment is the total cost of work completed by entities not directly related to the project, e.g., utility companies, and is required for the project to be operational.

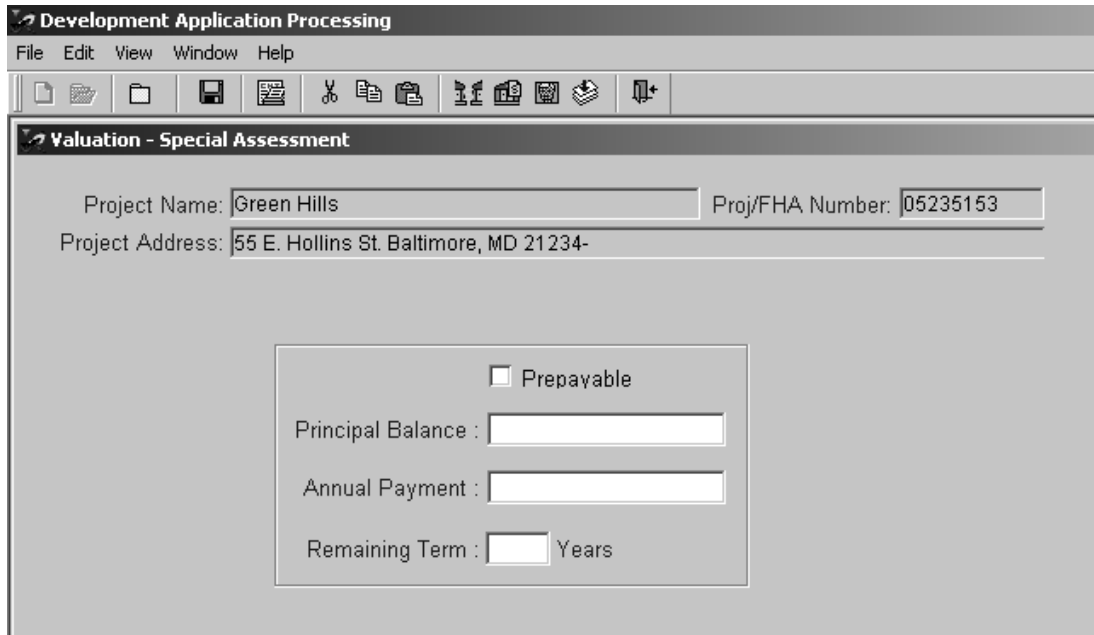


Figure 46. Special Assessment Window

To enter special assessment information:

1. From the **Valuation Main Menu** window, select the *Special Assessments* radio button.
2. Click , and the **Special Assessments** window (Figure 46) displays.
3. Click the check box if prepayable.
4. Enter *Principal Balance*.
5. Enter *Annual Payment*.
6. Enter *Remaining Term*.
7. Save your work.
8. From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.4 Estimate of Annual [Residual and Ancillary] Expense

Select the Estimate of Annual Expense option on the **Valuation Main Menu** window, and the **Estimate of Annual Residential and Ancillary Expense** window (Figure 47 through Figure 50) displays. The Estimate of Annual Expense represents the total residential and ancillary expenses expected for a year when the project is in full operation. You enter and edit expenses to derive the Per Annum (PA) and Per Unit Per Annum (PUPA) on the **Estimate of Annual Expense** tab. For 223f projects with Project based Section 8, LIHTC and/or Tax Exempt Bonds, you also see a **Hypothetical Market Rate Expense** tab (Figure 53) where you enter expenses for the project's hypothetical market value. The **Estimate of Annual Expense** tab displays first by default.

6.4.4.1 Estimate of Annual Expense (actuals)

The Estimate of Annual Expense window (Figure 47 through Figure 50) represents the total residential and ancillary expenses expected for a year when the project is in full operation. You enter and edit administrative, operating, maintenance, and tax expenses for calculating the Per Annum (PA) and Per Unit Per Annum (PUPA) by scrolling through this window. You can add other non-standard expenses and a replacement reserve.

Development Application Processing

File Edit View Window Help

Estimate of Annual Residential and Ancillary Expense

Project Name: Green Hills Proj/FHA Number: 05235153

Project Address: 55 E. Hollins St. Baltimore, MD 21234-

Total Annual Residential and Ancillary Expense: \$58,968

Estimate of Annual Expense (Actuals)

	PA	PUPA	% of Eff. Gross Per Sq. Ft.	
Administrative				
Advertising		30.00	0.27	\$0.03
Management		45.00	0.40	\$0.04
Total Administrative	3,150.00	75.00	0.67	\$0.07
Operating				
Elevator Main. Exp			0.00	\$0.00
Fuel (Heating & Domestic Hot Water)			0.00	\$0.00
Lighting & Misc. Power		55.00	0.49	\$0.05
Water		12.00	0.11	\$0.01

*The displayed calculated value of Replacement Reserve is rounded.

Add Other... Change Replacement Reserve ...

13-19-04 13:35:02

Figure 47. Estimate of Annual Expense Tab (1 of 4)

Operating	PA	PUPA	% of Eff. Gross Per Sq. Ft.	
Gas			0.00	\$0.00
Garbage & Trash Removal		75.00	0.67	\$0.07
Payroll		300.00	2.69	\$0.26
Total Operating	18,564.00	442.00	3.97	\$0.39
Maintenance	PA	PUPA	% of Eff. Gross Per Sq. Ft.	
Decorating		45.00	0.40	\$0.04
Repairs		65.00	0.58	\$0.06
Exterminating		5.00	0.04	\$0.00

Figure 48. Estimate of Annual Expense Items (2 of 4)

Maintenance	PA	PUPA	% of Eff. Gross Per Sq. Ft.	
Insurance		42.00	0.38	\$0.04
Ground Expense		24.00	0.22	\$0.02
Total Maintenance	7,602.00	181.00	1.62	\$0.16
Replacement Reserve*	20,580.00	490.00	6.33	\$0.62
Total Operating Expense	58,968.00	1,404.00	12.60	\$1.22
Taxes	PA	PUPA	% of Eff. Gross Per Sq. Ft.	
Real Estate Est. Assessed Value	.00			
Real Estate Taxes Rate per \$1000				

Figure 49. Estimate of Annual Expense Items (3 of 4)

Taxes	PA	PUPA	% of Eff. Gross Per Sq. Ft.	
Real Estate Taxes	.00	.00	0.00	\$0.00
Personal Prop. Est. Assessed Value	.00			
Personal Prop. Taxes Rate per \$1000				
Personal Property Taxes	.00	.00	0.00	\$0.00
Empl. Payroll Tax	.00		0.00	\$0.00
Total Taxes	.00	.00	0.00	\$0.00

Figure 50. Estimate of Annual Expense Items (4 of 4)

To itemize expenses:

1. From the **Valuation Main Menu** window, select the *Estimate of Annual Expense* radio button.
2. Click , and the Estimate of Annual Expense tab displays.
3. Enter data for each expense item. The *PUPA* (per unit per annum) % of *Eff. Gross*, and *Per Sq. Ft.* columns calculate automatically.

Administrative

- *Advertising*
- *Management*

Operating

- *Elevator Main. Exp.*
- *Fuel (Heating & Domestic Hot Water)*
- *Lighting & Misc. Power*
- *Water*
- *Gas*
- *Garbage & Trash Removal*
- *Payroll*

Maintenance

- *Decorating*
- *Repairs*
- *Exterminating*
- *Insurance*
- *Ground Expense*

Taxes - enter the PA (Per Annum) values.

- *Real Estate Est. Assessed Value*
- *Real Estate Taxes Rate per \$1000 (to 6 decimal places)*
- *Real Estate Taxes (calculated)*
- *Personal Prop. Est. Assessed Value*
- *Personal Prop. Taxes Rate per \$1000 (to 6 decimal places)*
- *Personal Property Taxes(calculated)*
- *Empl. Payroll Tax*

4. Click to update the *Replacement Reserve*. See the instructions below in **To change the replacement reserve**.



Note: The system calculates and displays the Replacement Reserve based on the Activity:

Activity	Calculation	Editable? (Yes or No)
New Construction	$0.0006 * \text{Total Structure Cost}$	Yes
Rehab	$0.0004 * \text{Estimated MIM}^2$	Yes
Refinance/ Acquisition	Determined by the appraiser	Yes

² Replacement Reserve is not calculated until the MIM by LC is calculated in Replacement Cost.

5. Save your work.
6. From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

To change the replacement reserve:

1. From the Estimate of Annual Expense tab, click the **Change Replacement Reserve ...** button. The **Replacement Reserve Override** window (Figure 51) displays.

Figure 51. Replacement Reserve Override Window

2. Enter amount in the *Entered Amount* field.
- OR -
- Select *Use Calculated* to allow the system to use the calculated replacement reserve.
3. Click **OK**, and the amount displays in *Replacement Reserve* on the Estimate of Annual Expense tab (Figure 47).
4. Save your work.

To add non-standard expense items:

1. From the Estimate of Annual Expense tab, click **Add Other** to add a non-standard expense item to any expense category, and the **Add Other Expense Item** window (Figure 52) displays.

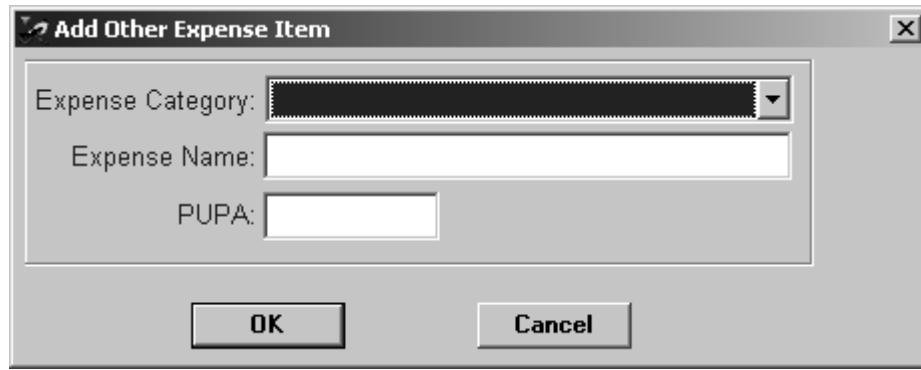


Figure 52. Add Other Expense Item Window

2. From the Expense Category drop down list, select the expense category.
3. Enter the Expense Name.
4. Enter the PUPA dollar value.
5. Click **OK**, and the non-standard expense item is added to the expense category.
6. Save your work.
7. From the **File** menu, select **Close**, and the **Valuation Main Menu** window displays.

To delete non-standard expense items:

1. From the Estimate of Annual Expense tab, select the non-standard expense item you want to delete.
2. Click the right mouse button and the **Edit** menu opens.
3. Select the **Delete** option and the Confirm Delete message asks if you are sure you want to delete the item.
4. Click **Yes** to delete the item.
5. Save your work.
6. From the **File** menu, select **Close**, and the **Valuation Main Menu** window displays.

6.4.4.2 Hypothetical Market Rate Expense

The Hypothetical Market Rate Expense window (Figure 53) represents the total residential and ancillary expenses expected for a year when fully operational if Project based Section 8, LIHTC and/or Tax Exempt Bonds were not available for the project. You are required to enter a Hypothetical if and only if the Tracking Representative indicates that Project based Section 8, LIHTC or Tax Exempt Bonds are applicable to this 223f application. Although you may enter replacement reserves, you are not required to enter this value for the hypothetical market rate expenses.

Administrative		PA	PUPA	% of Eff. Gross Per Sq. Ft.	
Advertising				0.00	\$0.00
Management				0.00	\$0.00
Total Administrative		.00	.00	0.00	\$0.00
Operating		PA	PUPA	% of Eff. Gross Per Sq. Ft.	
Elevator Main. Exp				0.00	\$0.00
Fuel (Heating & Domestic Hot Water)				0.00	\$0.00
Lighting & Misc. Power				0.00	\$0.00
Water				425.13	\$0.53

Figure 53. Hypothetical Market Rate Expense

If you do not see the Hypothetical Market Rate Expense tab and your 223f project has Project based Section 8, LIHTC and / or Tax Exempt Bonds, you should have the Tracking Representative check the appropriate Special Characteristic indicator(s). The Tracking Representative indicates that Project based Section 8, LIHTC and/or Tax Exempt Bonds apply by checking the corresponding indicators in the Special Characteristics section of Tracking's Administration **General tab**.

You copy, or enter/edit, administrative, operating, maintenance, tax, non-standard or replacement reserve expenses to calculate PA and PUPA for a hypothetical market value project. Non-standard expense items may be deleted.

To copy actual expenses into the hypothetical market rate expenses:

If you open the Estimate of Annual Expense window for a 223f project with Project based Section 8, LIHTC and/or Tax Exempt Bonds, and you have not entered any data in the Hypothetical Market Rate Expense, you will be asked if you wish to copy the actual data into the hypothetical (Figure 54). If you answer *YES*, you will automatically copy the actual expenses for this project into the hypothetical, which you can subsequently edit as necessary. If you answer *NO*, you may enter expenses in the same manner you entered them for the project's actuals (Figure 47 - Figure 50)

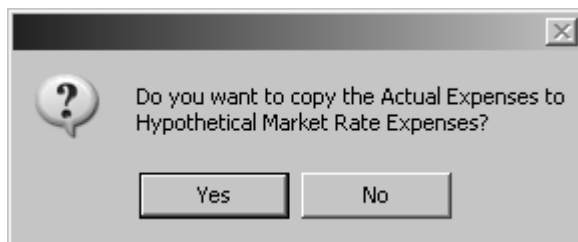


Figure 54. Authorize Copying Actual Expenses into Hypothetical

To enter/edit PUPA expenses, replacement reserves or non-standard expense items for the hypothetical:

You enter and change expenses for the hypothetical in the same manner you used for the project's actuals using the Hypothetical window. (You can find step-by-step instructions above in Section 6.4.4.1 Estimate of Annual Expense (actuals).)

To delete the hypothetical:

You can delete the hypothetical only if the three Special Characteristic boxes for LIHTC, Tax Exempt Bonds and/or Project Based Project based Section 8 are not checked. Your first step in deleting a hypothetical, therefore, is to have the Tracking Representative uncheck those indicators. When you open a Valuation assignment for a project that has had these checks removed and which has had expenses entered for a hypothetical associated with the Estimate of Annual Expenses, you will be asked (Figure 55) the question:

Do you want to delete the Hypothetical Market Rate Expenses?

Respond yes to remove the hypothetical market rate expenses.

Respond no to take no action. (However, you will be required to resolve the inconsistency between Tracking and Estimate of Expenses before you are able to successfully close the assignment)

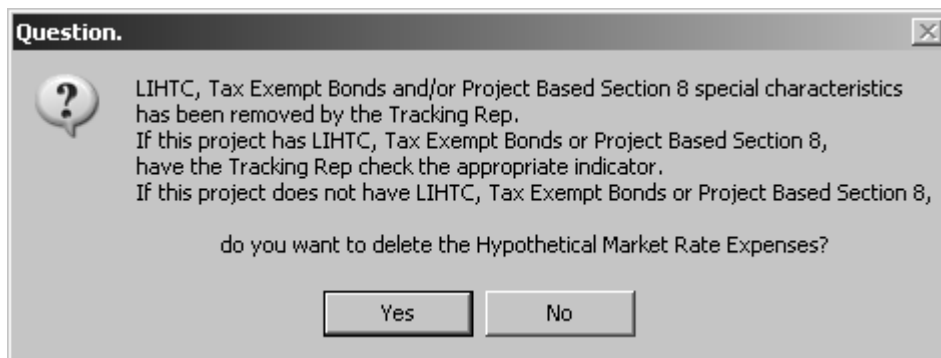


Figure 55: To Delete Existing Hypothetical Market Rate Expenses

6.4.5 Income Computations

The **Income Computations** window (Figure 56 and Figure 57) displays the computations for the net income of the project. Enter only *Residential and Ancillary Occupancy Percentage*, *Commercial Occupancy Percentage*, and *Total Commercial Project Expense*.

The residential and ancillary occupancy percentage determines the effective gross residential and ancillary income. Subtract the residential and ancillary expenses to determine the net income. The same rules apply to commercial income, if applicable. The result of the two processes determines the total project income.

Development Application Processing

File Edit View Window Help

Income Computations

Project Name: Proj/FHA Number:

Project Address:

Residential and Ancillary		Commercial	
Estimated Residential Project Income :	<input type="text" value="\$431,400"/>	Estimated Commercial Income :	<input type="text" value="\$0"/>
Estimated Ancillary Project Income :	<input type="text" value="\$72,000"/>	Commercial Occupancy Percentage :	<input type="text" value=".00%"/>
Residential and Ancillary Occupancy Percentage :	<input type="text" value="23.00%"/>	Effective Gross Commercial Income :	<input type="text" value="\$0"/>
Effective Gross Residential and Ancillary Income :	<input type="text" value="\$468,162"/>	Total Commercial Project Expense :	<input type="text" value="\$0"/>
Total Residential and Ancillary Project Expense :	<input type="text" value="\$20,595"/>	Net Commercial Income to Project :	<input type="text" value="\$0"/>
		Commercial Expense Ratio :	<input type="text" value="0.00%"/>
Net Residential and Ancillary Income to Project :		<input type="text" value="\$447,567"/>	
Net Commercial Income to Project :		<input type="text" value="\$0"/>	
Total Project Net Income :		<input type="text" value="\$447,567"/>	

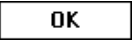
Figure 56. Income Computations Window (1 of 2)

Net Residential and Ancillary Income to Project :

Residential and Ancillary Project Expense Ratio :

Figure 57. Income Computations Window (2 of 2)

To enter income computations data:

1. From the **Valuation Main Menu** window, select the *Income Computations* radio button.
2. Click , and the **Income Computations** window displays.
3. Enter *Residential and Ancillary Occupancy Percentage*.



Note: Residential and Ancillary Occupancy Percentage *must be greater than 0%. Maximum value is 95%.*

4. Enter *Commercial Occupancy Percentage*.



Note: *When Estimated Commercial Income is greater than \$0, Commercial Occupancy Percentage must be between 0% and 90%, inclusive.*

5. Enter *Total Commercial Project Expense*.
6. Save your work.
7. From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.6 Estimated Replacement Cost

The **Estimate of Replacement Cost** window allows you to calculate the *Replacement Cost* for the project.

The tab pages that display vary according to the Activity entered in Tracking. (See Table 3.)

Table 3. Estimate of Replacement Cost Tabs

Program Type	Tabs
220 221(d)(4)) 221(d)(3)) New Construction	
220 221(d)(4)) 221(d)(3)) Sub Rehab	

223(f)

Acquisition/Refinance (MAP only)

Development Application Processing

File Edit View Window Help

Estimate of Replacement Cost

Project Name: Green Meadow Apts Proj/FHA Number:

Project Address: 117 Beech Tree Way Columbia, MD 20945-

Total Replacement Cost: \$3,518,694
Less Depreciation:

Rehab Hard Costs: Rehab Soft Costs:

Replacement Hard Costs: Replacement Soft Costs: Depreciation: Land Cost/As Is Property Value:

MIM by RCE: \$2,990,800 LTV Ratio: 85 % Indebtedness:

MIM by LC: Secondary Financing: \$0 High Cost: %
(mortgageable amount only) Waiver: 250 %

Annual Tax Abatement
Savings: Term: Additional Mortgage: Permanent MIP: 0.500 %

----- Carrying Charges & Financing -----

Interest: 14 Mos. at 6.62500000 %
on \$2,990,800 \$115,582
Taxes: \$15,000
Insurance:

FHA Mtg. Ins. Prem: 1.00000000 % \$29,908
FHA Exam. Fee: 0.30000000 % \$8,972
FHA Inspec. Fee: 0.50000000 % \$14,954
Financing Fee: 2.00000000 % \$59,816
AMPO (N. P. only): % \$0

Change Permanent MIP%
Change Annual FHA MIP%
Notes...

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For Criterion 4: enter either High Cost % or Waiver %

For Criterion 5: enter Annual Tax Abatement, if necessary and change permanent MIP %, if necessary

For Criterion 7 or 10: change FHA Mtg Ins Prem by clicking

Change Annual FHA MIP%, enter FHA Exam fee %, FHA Inspec Fee %, and FNMA/GNMA Fee % (Permanent Placement Fee %)

You may view and print form HUD-92264, Section G from this window.

6.4.6.1 Replacement Hard Costs

The *Replacement Hard Costs* tab (Figure 58 and Figure 59) on the **Estimate of Replacement Cost** window displays the cost for land improvements, structures, and fees for the project. The data populates from the Cost Analysis subsystem. The data is view only.

Estimate of Replacement Cost

Project Name: Proj/FHA Number:

Project Address:

Total Replacement Cost:

Less Depreciation:

Replacement Hard Costs | Replacement Soft Costs | Depreciation | Land Cost/As Is Property Value

LAND IMPROVEMENTS	
Unusual Land Improvements	<input type="text" value="\$0"/>
Other Land Improvements	<input type="text" value="\$0"/>
TOTAL LAND IMPROVEMENTS	<input type="text" value="\$0"/>
STRUCTURES	
Main Buildings	<input type="text" value="\$3,194,082"/>
Accessory Building	<input type="text" value="\$115,003"/>
Garages	<input type="text" value="\$86,735"/>
All Other Building	<input type="text" value="\$36,660"/>
TOTAL STRUCTURES	<input type="text" value="\$3,432,480"/>
General Requirements	<input type="text" value="\$85,812"/>
FEES	

Figure 58. Estimate of Replacement Cost Window - Replacement Hard Costs Tab (1 of 2)

FEES	
Builder's Overhead	<input type="text" value="\$0"/>
Builder's Profit	at <input type="text" value="2.000"/> % <input type="text" value="\$70,366"/>
Architectural Fee - Architect	at <input type="text" value="1.810"/> % <input type="text" value="\$65,000"/>
Architectural Fee - Supervisor	at <input type="text" value="0.350"/> % <input type="text" value="\$12,500"/>
Bond Premium	<input type="text" value="\$26,197"/>
Other Fees	<input type="text" value="\$44,858"/>
TOTAL FEES	<input type="text" value="\$218,921"/>
TOTAL FOR ALL IMPROVEMENTS	<input type="text" value="\$3,737,213"/>

Figure 59. Estimate of Replacement Cost Window - Replacement Hard Costs Tab (2 of 2)

6.4.6.2 Replacement Soft Costs

The Replacement Soft Costs tab on the **Estimate of Replacement Cost** window (Figure 60 through Figure 61) is used to determine the project's Soft Costs. You can enter and update applicable *carrying charges & financing fees, organization, legal & audit fees and other development fees*. You can set the applicable *Developer's Fee/BSPRA* or *SPRA* amount and edit the *Permanent MIP %* and *Annual FHA MIP %*.

After entering the applicable fees and amounts, you can calculate the *MIM by RCF* and the *MIM by LC*, if applicable.

When adjusting the MIM by RCF and MIM by LC data, the system automatically updates the values.

For MAP 223f projects, a hypothetical As-New analysis is not required. Enter the applicable data for the form HUD-92264-A that the MCE needs to complete the Mortgage Credit underwriting.

Development Application Processing

File Edit View Window Help

Estimate of Replacement Cost

Total Replacement Cost: \$4,126,400
Less Depreciation:

Rehab Hard Costs | **Rehab Soft Costs** | Depreciation | Land Cost/As Is Property Value

Replacement Hard Costs | **Replacement Soft Costs** | Depreciation | Land Cost/As Is Property Value

MIM by RCF: \$3,713,700 LTV Ratio: 90 % Indebtedness:

MIM by LC: \$3,713,700 **Secondary Financing**: \$0 High Cost: %

Annual Tax Abatement (mortgageable amount only) Waiver: 240 % **B**

Savings: Term: Additional Mortgage: Permanent MIP: 0.800 %

----- Carrying Charges & Financing -----

Interest:	14 Mos. at	5.25000000 %	
on	\$3,713,700		\$113,732
Taxes:			\$6,700
Insurance:			\$2,540
FHA Mtg. Ins. Prem:	1.60000000 %		\$59,419
FHA Exam. Fee:	0.30000000 %		\$11,141
FHA Inspec. Fee:	0.50000000 %		\$18,569
Financing Fee:	2.00000000 %		\$74,274
AMPO (N. P. only):			\$0

Change Permanent MIP%
Change Annual FHA MIP%
Change SPRA
Notes...

13-19-04 14:37:49

Figure 60. Estimate of Replacement Cost - Replacement Soft Costs Tab (1 of 2)

Note: *A* is the MIM amount on which interest during construction is calculated. For New Construction the value equals the MIM by LC. *B* is the amount of interest during construction. Interest during construction = (half the MIM) * [(Construction Interest Rate/12) * Construction Interest Period].

----- Carrying Charges & Financing -----	
FNMA/GNMA Fee: 1.50000000 %	\$55,706
Title & Recording:	\$1,650
TOTAL CARRYING CHARGES & FINANCING:	\$343,731
----- Legal, Organization & Audit Fee -----	
Legal:	\$1,250
Organization:	\$1,780
Cost Certification Audit Fee:	
TOTAL LEGAL, ORGANIZATION & AUDIT FEES:	\$3,030
Sponsor Profit & Risk Allowance	\$42,426
Relocation Costs:	
Ground Rent During Construction:	\$0
Consultant Fee (N. P. only):	
Supplemental Management Fund:	
Contingency Reserve(Sec.202 or Rehab only):	
Total Soft Costs:	\$389,187

Figure 61. Estimate of Replacement Cost - Replacement Soft Costs Tab (2 of 2)

To enter/edit Replacement Soft Costs for 220, 221d3 and 221d4:

1. From the **Valuation Main Menu** window, select the *Estimated Replacement Cost* radio button.
2. Click , and the Estimate of Replacement Cost window displays the Replacement Hard Costs tab by default.
3. Select the Replacement Soft Costs tab.
4. Enter the following data (if applicable):
 - Land *Indebtedness*
 - *Secondary Financing*, for the mortgageable amount only (see Section 66.4.6.2.1).
 - *High Cost %* or *Waiver %*
5. In Annual Tax Abatement section, enter the applicable data:
 - Annual Tax Abatement *Savings* and Tax Abatement *Terms*

- OR -


 - *Additional Mortgage*

6. In the Carrying Charges & Financing section, enter the applicable data:
- *Mos. at % (Construction Interest Rate) (up to eight (8) decimal places)*
 - *Taxes*
 - *Insurance*
 - *FHA Exam. Fee %*
 - *Financing Fee %*
 - *FNMA/GNMA Fee %*
 - *Title & Recording*

 **Note:** Financing Fee default is 2% and FNMA/ GNMA Fee default is 1.5%. The combined fees cannot exceed 3.5%, except for bond-financed projects, which cannot exceed 5.5%.

 **Note:** AMPO % will be null. The AMPO amount field represents the Developer's Fee.

7. In the Legal, Organization & Audit Fee section, enter the applicable data:
- *Legal*
 - *Organization*
 - *Cost Certification Audit Fee*
8. Enter other development fees that may apply:
- *Relocation Costs*

 **Note:** When printing the Form HUD-92264, Section G, the amounts for Relocation Costs and Ground Rent will be added together and printed in the Consultant Fee (N.P. only) field.

9. Click to enter relevant comments.
10. Calculate *MIM By RCF*. Refer to Section 66.4.6.2.6
11. Calculate *MIM By LC*, if applicable. Refer to Section 66.4.6.2.7
12. Save your work.

To enter/edit Replacement Soft Costs for MAP 223f projects:

1. From the **Valuation Main Menu** window, select the *Estimated Replacement Cost* radio button.
2. Click , and the **Estimate of Replacement Cost** window displays the Replacement Hard Costs tab by default.
3. Select the Replacement Soft Costs tab.
4. Enter the following data (if applicable):
 - *Either High Cost % or Waiver % (Criterion 4)*

- *Annual Tax Abatement, if necessary, and change permanent MIP%, if necessary (Criterion 5)*
- *Change FHA Mtg Ins Prem by clicking* Change Annual FHA MIP%

To enter the Secondary Financing:

Refer to Section 66.4.6.2.1 for the procedure.

To change the Permanent MIP percent:

Refer to Section 66.4.6.2.2 for the procedure.

To change the Annual FHA MIP percent:

Refer to Section 66.4.6.2.3 for the procedure.

To change the BSPRA or SPRA Amount:

Refer to Section 66.4.6.2.5 for the procedure.

6.4.6.2.1 Entering Secondary Financing

For New Construction/Sub Rehab (220/221d3/d4) and TAP Acquisition/Refinance (223f) loan applications, the **Secondary Financing** window (Figure 62) records the type (tax credits, grants, loans, etc.), source (government, state, private, etc.), and the mortgageable and non-mortgageable amount. The system calculates and displays the subtotals and the total amount of secondary financing. Enter the data prior to calculating the Replacement Cost.

The Mortgage Credit Examiner enters the secondary financing data for Acquisition/Refinance (223f) loan applications for MAP submissions.

To enter/edit secondary financing:

1. From the **Valuation Main Menu** window, select the *Estimated Replacement Cost* radio button.
2. Click , and the Replacement Hard Costs tab displays by default.
3. Select the Replacement Soft Cost tab.
4. Click . The **Secondary Financing** window (Figure 62) displays.

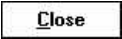
Type	Source	Mortgageable Amount	Non-Mortgageable Amount	Other Description

Total Amount of Secondary Financing:

Figure 62. Secondary Financing Window

5. Click to display the **Secondary Financing Details** (Figure 63) window.


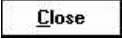
Figure 63. Secondary Financing Details Window

6. Select the *Type* of financing from the drop down list: Tax Credits, Grants, Loans, or Gifts.
7. Select the *Source* of financing from the drop down list. The options depend on the type of financing you selected. If you choose any of the “Other” options, e.g., *Federal – Other*, you must enter a description of the financing in the *Other Source Name*.
8. Enter the *Mortgageable Amount*, if applicable.
9. Enter the *Non-Mortgageable Amount*, if applicable.
10. Click  to save and return to the **Secondary Financing** window.

– OR –

Click  to add additional secondary financing sources. Repeat Steps 5 – 8.

To delete secondary financing:

1. From the Replacement Soft Cost tab, click . The **Secondary Financing** window displays.
2. Highlight the row you want to delete.
3. Right click the mouse, and the **Edit** menu displays.
4. Select **Delete**.
5. Click  to save and return to the Replacement Soft Cost tab. The *Mortgageable Amount* displays next to the Secondary Financing button.

6.4.6.2.2 Changing Permanent MIP Percent

The **Permanent MIP % Overwrite** window (Figure 64 and Figure 65) is used to change the *Permanent MIP %* for the current Valuation assignment.

The MIP Administrator sets the *Published Permanent MIP %*. For each program type, the Administrator can set a *Published Permanent MIP %* that will default as the *Permanent MIP %* in the Valuation Assignment. If the Administrator changes the percentage while you are processing, you may choose to update the Permanent MIP % to the new Published Permanent MIP % or leave the Permanent MIP % at its original value. The Administrator also has the option to set an *Overwrite* indicator. This option enables an Appraiser to change the Permanent MIP % if the *Published Permanent MIP %* is not correct for that specific program.

If the *Permanent MIP %* for the current assignment does not match the *Published Permanent MIP %*, a warning message displays when opening the Valuation assignment (refer to Section 6.6.)

Only when the *Permanent MIP Overwrite* field is checked (Figure 65), can you enter a value in the *Current Assignment Permanent MIP* field.

Permanent MIP% Overwrite

Permanent MIP%

Published Permanent MIP: 0.800 %

Current Assignment Permanent MIP: 0.800 %

Overwrite Status: ☐

OK

Cancel

Use Published MIP% as Current Assignment MIP%

Figure 64. Permanent MIP Overwrite Window (no Overwrite Status)

Permanent MIP% Overwrite

Permanent MIP%

Published Permanent MIP: 0.850 %

Current Assignment Permanent MIP: 0.550 %

Overwrite Status: ☒

OK

Cancel

Use Published MIP% as Current Assignment MIP%

Figure 65. Permanent MIP Overwrite Window (Overwrite Status)

To change the Permanent MIP percentage:

1. From the **Valuation Main Menu** window, select the *Estimated Replacement Cost* radio button.
2. Click , and the Replacement Hard Costs tab displays by default.
3. Select the Replacement Soft Costs tab or the Rehab Soft Costs tab.
4. Click . If the *MIP Overwrite Status* is *not* enabled (checked), the **Permanent MIP Overwrite** window (Figure 64) displays. If the *MIP Overwrite Status* is enabled (checked), the **Permanent MIP Overwrite** window (Figure 65) displays.
5. *Permanent MIP Overwrite Status* not enabled (Figure 64): click to change the *Permanent MIP %* on the Soft Costs tab to the *Published MIP*.

- OR -

Permanent MIP Overwrite Status enabled (Figure 65):

- Enter/edit the *Permanent MIP Percent* value in the *Current Assignment Permanent MIP* field.

- OR -

- Click to use the *Published MIP %*. The system then displays the *Published Permanent MIP %* in the *Current Assignment Permanent MIP %* field. Update this value as needed.

6. Click , and the updated *Permanent MIP %* displays on the Soft Costs tab.

6.4.6.2.3 Changing Annual FHA MIP Percent

The *Annual FHA MIP % Overwrite* window on the **Estimate of Replacement Cost** window (Figure 66 and Figure 67) is used to change the *Annual FHA MIP %* for the current Valuation assignment.

Like the *Permanent MIP %*, the MIP Administrator sets the *Published Annual FHA MIP %*. For each program type, the Administrator can set a *Published Annual FHA MIP %* that will default as the *Annual FHA MIP %* in the Valuation Assignment. If the Administrator changes the percentage while you are processing, you may choose to update the *Annual FHA MIP %* to the new *Published Annual FHA MIP %* or leave the *Annual FHA MIP %* at its original value. The Administrator also has the option to set an *Overwrite* indicator. This option enables an Appraiser to change the *Annual FHA MIP %* if the *Published Annual FHA MIP %* is not correct for that specific project.

If the *Annual FHA MIP %* for the current assignment does not match the *Published Annual FHA MIP %*, a warning message will be displayed when opening the Valuation assignment (refer to Section 6.6.)

Only when the *Annual FHA MIP % Overwrite* is checked (Figure 67) can you enter a value in the *Current Assignment Annual FHA MIP* field.

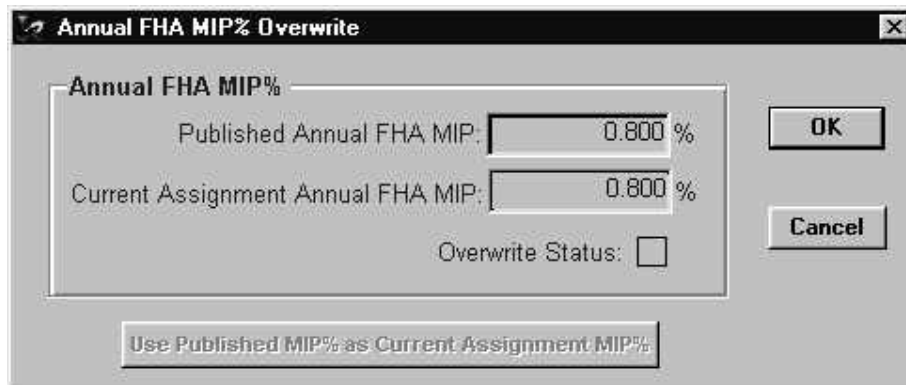
The screenshot shows a dialog box titled "Annual FHA MIP% Overwrite". It contains two input fields: "Published Annual FHA MIP:" with a value of "0.800 %" and "Current Assignment Annual FHA MIP:" with a value of "0.800 %". Below these fields is a checkbox labeled "Overwrite Status:" which is currently unchecked. At the bottom of the dialog is a button labeled "Use Published MIP% as Current Assignment MIP%". On the right side of the dialog are "OK" and "Cancel" buttons.

Figure 66. Annual FHA Overwrite Window (no Overwrite Status)

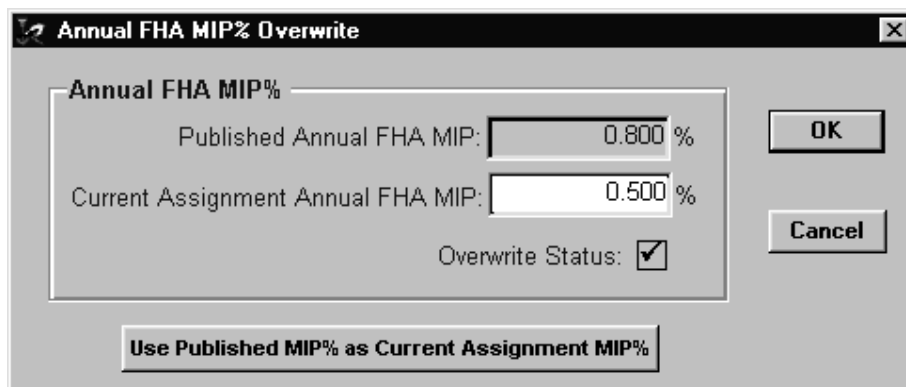
The screenshot shows the same "Annual FHA MIP% Overwrite" dialog box. In this version, the "Current Assignment Annual FHA MIP:" field has a value of "0.500 %", which differs from the "Published Annual FHA MIP:" of "0.800 %". The "Overwrite Status:" checkbox is now checked. The "Use Published MIP% as Current Assignment MIP%" button remains at the bottom, and the "OK" and "Cancel" buttons are on the right.

Figure 67. Annual FHA Overwrite Window (Overwrite Status)

To change the Annual FHA MIP percentage:

1. From the **Valuation Main Menu** window, select the *Estimated Replacement Cost* radio button.
2. Click , and the Replacement Hard Costs tab displays by default.
3. Select the Replacement Soft Costs tab or the Rehab Soft Costs tab.
4. Click . If the *MIP Overwrite Status* is *not* enabled (checked), the **Annual FHA MIP Overwrite** window (Figure 66) displays. If the *MIP Overwrite Status* is enabled (checked), the **Annual FHA Overwrite** window (Figure 67) displays.
5. *Annual FHA MIP Overwrite Status* not enabled (Figure 66): click to change the *Permanent MIP Percent* on the Soft Costs tab to the *Published MIP*.

- OR -

Annual FHA MIP Overwrite Status enabled (Figure 67):

- Enter/edit the *Annual FHA MIP Percent* value in the *Current Assignment Annual FHA MIP* field.

- OR -

- Click to use the *Published Annual FHA MIP %*. The system then displays the *Published Annual FHA MIP %* in the *Current Assignment Annual FHA MIP %* field. Update this value as needed.
6. Click . The system calculates the *FHA Mortgage Insurance Premium (MIP) %*, which is equal to the *Annual FHA MIP %* * MIM. This percentage displays in the *FHA Mtg. Ins. Perm %* field on the Soft Costs tab.

6.4.6.2.4 Changing Developer's Fee

The **Developer's Fee Override** window (Figure 68) on the **Estimate of Replacement Cost** window is used to change the *Developer's Fee* for the current Valuation assignment. The system displays the *Calculated Amount*. You may enter an amount or use the *Calculated Amount*.

To change Developer's Fee:

1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Costs tab.
2. Click **Change Developer's Fee**, and the **Developer's Fee Override** window (Figure 68) displays.

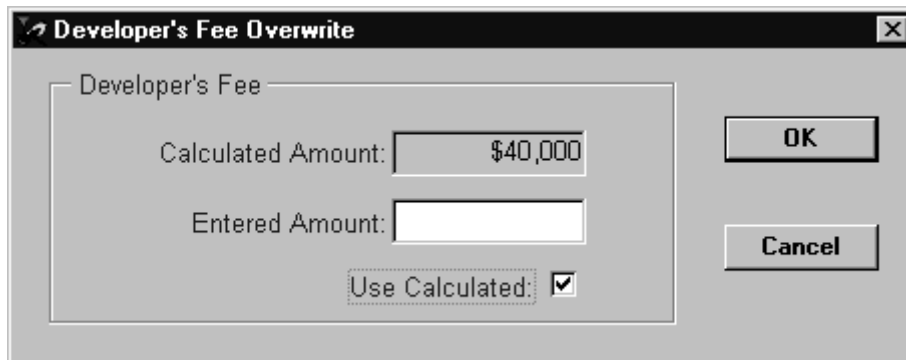


Figure 68. Developer's Fee Override Window

3. The system displays the *Calculated Amount* of *Developer's Fee*.
 - To accept the *Calculated Amount* as the *Developer's Fee*, click the *Use Calculated* check box.
 - To enter a *Developer's Fee* different than the system's *Calculated Amount*:
 - a. Enter the correct *Developer's Fee* amount in the *Entered Amount* field.
 - b. Remove the check mark from the *Use Calculated* check box by clicking on this field.
 - To set the *Developer's Fee* to zero (\$0):
 - a. Place cursor in the *Entered Amount* field and press the tab key. \$0 displays in the field.
 - b. Remove the check mark from the *Use Calculated* check box by clicking on this field.
4. Click **OK** to save your work on the **Replacement Cost** window, and the amount displays in the *Developer's Fee* amount field.

6.4.6.2.5 Changing BSPRA or SPRA Amount

The **BSPRA** (Builder and Sponsor's Profit & Risk Allowance) **Overwrite** window, (Figure 69), and the **SPRA** (Sponsor's Profit & Risk Allowance) **Overwrite** window, (Figure 70), on the **Estimate of Replacement Cost** window are used to change the amount of *BSPRA* or *SPRA* for the current Valuation assignment. The system displays the *Calculated Amount*. You may enter an amount or use the *Calculated Amount*.

To change the BSPRA or SPRA:

1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Costs tab.
2. Click **Change BSPRA** or **Change SPRA**, and either the **BSPRA** or **SPRA Overwrite** window (Figure 69 or Figure 70) displays.

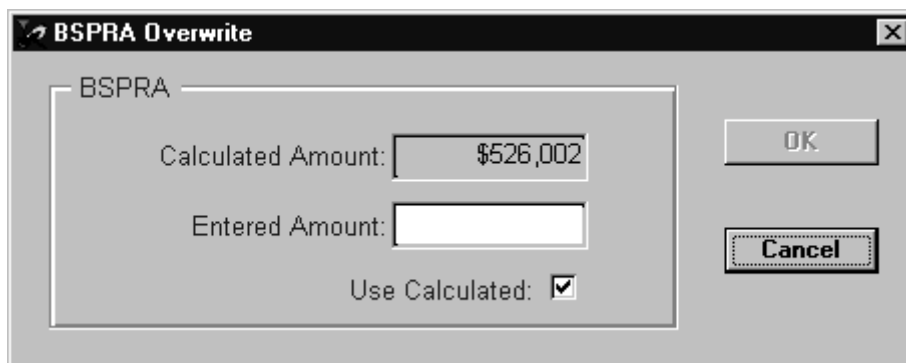
The image shows a software window titled "BSPRA Overwrite". Inside the window, there is a section labeled "BSPRA". Below this label, there are two input fields: "Calculated Amount:" which contains the value "\$526,002", and "Entered Amount:" which is an empty text box. Below these fields is a checkbox labeled "Use Calculated:" which is checked. To the right of the input fields are two buttons: "OK" and "Cancel".

Figure 69. BSPRA Overwrite Window

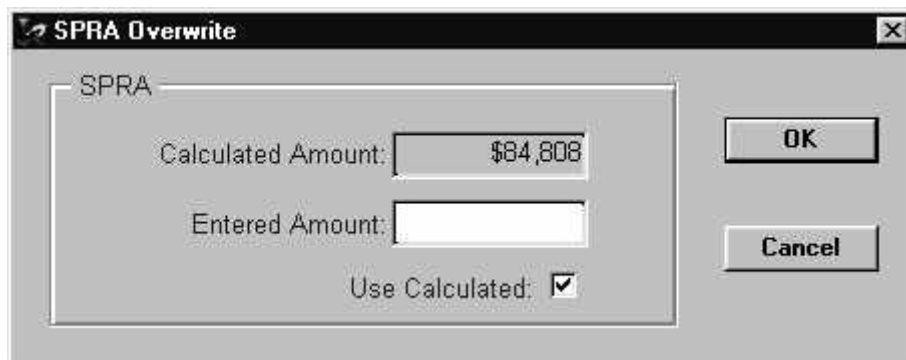
The image shows a software window titled "SPRA Overwrite". Inside the window, there is a section labeled "SPRA". Below this label, there are two input fields: "Calculated Amount:" which contains the value "\$84,808", and "Entered Amount:" which is an empty text box. Below these fields is a checkbox labeled "Use Calculated:" which is checked. To the right of the input fields are two buttons: "OK" and "Cancel".

Figure 70. SPRA Overwrite Window

3. The system displays the *Calculated Amount* for *BSPRA/SPRA*.
 - To accept the *Calculated Amount* as the *BSPRA/SPRA*, click the *Use Calculated* check box.
 - To enter a *BSPRA/SPRA* amount different than the system's *Calculated Amount*:
 - a. Enter the correct *BSPRA/SPRA* amount in the *Entered Amount* field.
 - b. Remove the check mark from the *Use Calculated* check box by clicking on this field.
 - To set the *BSPRA/SPRA* to zero (\$0):
 - a. Place cursor in the *Entered Amount* field and press the tab key. \$0 should be displayed in the field.
 - b. Remove the checkmark from the *Use Calculated* checkbox by clicking on this field.
4. Click , and the amount displays in the *Builder and Sponsor Profit & Risk Allowance* or *Sponsor Profit & Risk Allowance* field.
5. Save your work on the **Replacement Cost** window.

6.4.6.2.6 Determine MIM by RCF

The **Replacement Cost - By Formula** window (Figure 71 through Figure 72) displays the applicable worksheet used to calculate *Maximum Insurable Mortgage* (MIM) by *Replacement Cost Formula* (RCF).

For 223(f) Acquisition/Refinance projects (TAP only), the MIM by RCF is the *mortgage amount* used in calculating the *Total Replacement Cost*.

For New Construction projects, the *MIM by RCF* is used to determine the initial *Replacement Cost* value. This value is then used in the *MIM by LC* function to determine the *mortgage amount* used to calculate the *Total Replacement Cost*.

For Rehab projects, the *MIM by RCF* is used to determine the initial *Rehab Replacement Cost* value. This value is then used in the *MIM by LC* function to determine the *mortgage amount* used to calculate the *Total Rehabilitation Cost* (Rehab Soft Cost tab.)

The system automatically determines which *Replacement Cost Formula* applies. See Table 4.

Table 4. Replacement Cost by Formula Worksheets

Program Type	Activity	Replacement Cost Type	Allowance Type	RCF Worksheet
220, 221(d)(3), 221(d)(4)	New Construction	As New	BSPRA	Proposed Construction (with/without Ground Lease) with BSPRA.
220, 221(d)(3), 221(d)(4)	New Construction	As New	SPRA	Proposed Construction with SPRA.
220, 221(d)(3), 221(d)(4)	New Construction	As New	Developer's Fee	Proposed Construction (with/without Ground Lease) with Developer's Fee.
220, 221(d)(3), 221(d)(4)	Rehab	Rehab	BSPRA	Rehabilitation Projects with BSPRA.
220, 221(d)(3), 221(d)(4)	Rehab	Rehab	SPRA	Rehabilitation with SPRA.
220, 221(d)(3), 221(d)(4)	Rehab	Rehab	Developer's Fee	Rehabilitation with Developer's Fee.

Scroll to the bottom of the window to view the MIM by RCF calculation. You may print the worksheet to review off-line.

Replacement Cost - By Formula

REPLACEMENT COST - BY FORMULA
PROPOSED CONSTRUCTION - WITH SPRA

Value of Leased Fee (Section K, Form HUD-92264).....	\$0
Grants and Loans Available for Mortgageable Items.....	\$0
Excess Unusual Land Improvements.....	\$0
Syndication Proceeds Available for Mortgageable Items (Tax Credits)	\$125,000
TOTAL DEDUCTIONS FROM PROJECT REPLACEMENT COST:	\$125,000 = D
Total Land Improvements	\$0
Total Structures	\$3,432,480
General Requirements	\$85,812
Builder's General Overhead	\$0
Builder's Profit	\$70,366
Bond Premium	\$26,197
Other Fees	\$44,858
Consultant Fee	\$0
Supplemental Management Fund	\$0
Major Movable Equipment	\$0
Relocation Cost	\$0
Unimproved Price of Land	\$0

DAP-RCF-04

Close

Print

Figure 71. Replacement Cost - By Formula Window (1 of 2)

Warranted Price of Land	\$0	
Ground Rent During Construction.....	\$0	
TOTAL KNOWN ON WHICH SPRA MAY NOT BE ALLOWED:	\$3,659,713	= A
Arch. Fee - Design	\$65,000	
Arch. Fee - Supervisory	\$12,500	
Taxes	\$6,700	
Insurance	\$2,540	
Title and Recording	\$1,650	
Legal	\$1,250	
Organization	\$1,780	
Cost Certification Audit Fee	\$0	
TOTAL KNOWN ON WHICH SPRA MAY BE ALLOWED:	\$91,420	= B
Construction Interest Rate /2 x		
Construction Interest Period (years)0306250	
Mortgage Insurance Premium0160000	
Examination Fee0030000	
Financing Fee0200000	
AMPO (NP Projects Only)0000000	
FNMA/GNMA Fee0150000	
Inspection Fee0050000	
Consultant Fee0000000	
Subtotal Unknowns:	.0896250	
Subtotal Unknowns	Loan Ratio	
TOTAL UNKNOWN: .0896250 x 0.90 = 0.0806625 = C		
Project Cost Less Deductions:	\$3,989,235	X = (A+(1.1B)-D) / (1-(1.1C))
Total Project Replacement Cost:	\$4,114,235	R = (X + D)
Project Cost less deductions	Loan Ratio	
MIM BY RCF: \$3,989,235 x 0.90 = \$3,590,300		
RCF SPRA: \$45,452	SPRA = (R - A) * 10%	

DAP-RCF-04


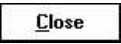
Figure 72. Replacement Cost - By Formula Window (2 of 2)

To view the MIM by RCF calculations:

1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Costs tab.
2. Click **MIM by RCF**, and the **Replacement Cost - By Formula** window displays.
3. Click **Close** to return to the **Estimate of Replacement Cost** window.

To print the MIM by RCF calculations:

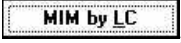
1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Costs tab.
2. Click **MIM by RCF**, and the **Replacement Cost - By Formula** window displays.

3. Click , and a copy of the MIM by RCF worksheet prints.
4. Click  to return to the **Estimate of Replacement Cost** window.


6.4.6.2.7 Determine MIM by LC

Determine the Maximum Insurable Mortgage (MIM) by using the criteria on the **MIM by LC (Limiting Criteria)** window. The MIM by LC button is not enabled until the *MIM BY RCF* is calculated. There are six tabs: Criterion 1, Criterion 3, Criterion 4, Criterion 5, Criterion 11 (only if there is secondary financing) and Criterion Summary. Criteria 1, 3, 4, 5, and 11 display the calculations used to determine the Criterion's mortgage amount. The Criterion Summary displays the mortgage amount determined by each of criterion and the MIM which is the lowest mortgage amount of the criteria, rounded down to the nearest hundred.

To view MIM by LC tabs:

From the **Estimate of Replacement Cost** window, select the Replacement Soft Cost tab or Rehab Soft Cost tab, then click , and the **MIM by LC** window displays.

To print the MIM by LC calculations:

Click  to print the form HUD-92664-A.

To view the Criterion 1 calculations:

Refer to Section 66.4.6.2.7.1 for the procedure.

To view the Criterion 3 calculations:

Refer to Section 66.4.6.2.7.2 for the procedure.

To view the Criterion 4 calculations:

Refer to Section 66.4.6.2.7.3 for the procedure.

To view the Criterion 5 calculations:

Refer to Section 66.4.6.2.7.4 for the procedure.

To view the Criterion 11 calculations:

Refer to Section 66.4.6.2.7.5 for the procedure.

To view the Criterion Summary:

Refer to Section 66.4.6.2.7.6 for the procedure.

6.4.6.2.7.1 Criterion 1

The Criterion 1 tab (Figure 73) on the **MIM by LC** window displays the *Requested Mortgage Amount* from the Application entered in the Tracking subsystem. This information is view only.

Valuation - MIM by LC

Project Name: Green Hills Proj/FHA Number: 05235153

Project Address: 55 E. Hollins St. Baltimore, MD 21234-

Criterion 1 Criterion 3 Criterion 4 Criterion 5 Criterion 11 Criterion Summary

Requested Mortgage Amount: \$7,150,000

Close

Print 2264-A

Figure 73. MIM by LC Window - Criterion 1 Tab

To view Criterion 1:

1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Cost tab or Rehab Soft Cost tab, then click **MIM by LC**, and the **MIM by LC** window displays.
2. The Criterion 1 tab displays first as the default.
3. Select another tab.

Alternative Option

Click **Close** to return to the Replacement Soft Cost tab.

6.4.6.2.7.2 Criterion 3

The Criterion 3 tab (Figure 74) on the **MIM by LC** window displays the values and formula to calculate the amount based on Market Value or Replacement Cost. This information is view only.

Valuation - MIM by LC

Project Name: Proj/FHA Number:
 Project Address:

Criterion 1 **Criterion 3** Criterion 4 Criterion 5 Criterion 11 Criterion Summary

Replacement Cost/Value: x % = (A)

Value of Leased Fee: (B1)

Excess Unusual Land Improvements: (B3) = (B1+B3)

x %

Total = (B4)

Unpaid Balance of Special Assessment(s): (c) Total: D=(B4+C)

Amount Based on Value or Replacement Cost: (A-D)

Close
Print 2264-A

Figure 74. MIM by LC Window - Criterion 3 Tab

To view Criterion 3:

1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Cost tab or Rehab Soft Cost tab, then click , and the **MIM by LC** window displays.
2. Select the Criterion 3 tab to examine the data.
3. Select another tab.

Alternative Option

Click to return to the Replacement Soft Cost tab.

6.4.6.2.7.3 Criterion 4

Criterion 4 tab on the **MIM by LC** window (Figure 75) displays the values and formula for calculating the amount based on Limitations Per Family Unit. This information is view only.

Valuation - MIM by LC

Project Name: Proj/FHA Number:
 Project Address:

Criterion 1 | Criterion 3 | **Criterion 4** | Criterion 5 | Criterion 11 | Criterion Summary

Total Amount for all Units: (A)

Cost Not Attributable to Dwelling Use: x % = (B)

Site Not Attributable to Dwelling Use: x % = (C)

Total: (D)=(A+B+C)

Value of Leased Fee: (F1)

Unpaid Balance of Special Assessment(s): (F2) **Total:** (F)=(F1 + F2)

Amount Based on Limitations Per Family Unit: (D - F)

Buttons: View Units, Close, Print 2264-A

Figure 75. MIM by LC Window - Criterion 4 Tab

To view Criterion 4:

1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Cost tab or Rehab Soft Cost tab, then click **MIM by LC**, and the **MIM by LC** window displays.
2. Select the Criterion 4 tab to examine the data.
3. Select another tab.

Alternative Option

Click **Close** to return to the Replacement Soft Cost tab.

To view unit compositions:

Refer to Section 66.4.6.2.7.3.1 for the procedure.

To view Rehab CNA:

For a rehab project, refer to Section 66.4.6.2.7.3.2 for the procedure.

6.4.6.2.7.3.1 Criterion 4 View Units

The **Mortgage Credit - Project Analysis Criterion 4 View Units** window (Figure 76) displays the computations for the *Total Recommended Amount for all Units*. This information is view only.

Mortgage Credit - Project Analysis - Criterion 4 - View Units							
Unit Type	Revenue/ Nonrevenue	Elevator Status	# of Units (A)	Statutory Limit (B)	Waiver Pct (C)	Stat. Limit x % (D= B x C)	Subtotal (A x D)
1 Bedroom	N	Y	1	\$47,899	240.00	\$114,957	\$114,957
1 Bedroom	R	Y	21	\$47,899	240.00	\$114,957	\$2,414,097
2 Bedroom	R	Y	10	\$58,243	240.00	\$139,783	\$1,397,830
3 Bedroom	R	Y	10	\$75,346	240.00	\$180,830	\$1,808,300
Total Amount for all Units:							\$5,735,184

Figure 76. Mortgage Credit - Project Analysis - Criterion 4 - View Units Window

To view unit compositions:

1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Cost tab or Rehab Soft Cost tab, then click **MIM by LC**, and the **MIM by LC** window displays.
2. Select the Criterion 4 tab.
3. Click **View Units** and the **Mortgage Credit - Project Analysis - Criterion 4 - View Units** window displays. This window provides a breakdown of the number of units, statutory limitation, and high cost/waiver percentage by unit type (1 bedroom, etc.)
4. Click **Close** to return to the Criterion 4 tab.

6.4.6.2.7.3.2 Criterion 4 View Rehab CNA

The **Mortgage Credit - Project Analysis Criterion 4 View Rehab CNA** window (Figure 76) displays the computations for the *Rehab Cost Not Attributable to Dwelling Use*. This information is view only and applies to rehab projects.

To view Rehab CNA worksheet:

1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Cost tab or Rehab Soft Cost tab, then click **MIM by LC**, and the **MIM by LC** window displays.
2. Select the Criterion 4 tab.
3. Click **View Rehab CNA** and the **Rehabilitation Cost Not Attributable to Residential Use** window displays (Figure 77). This window provides a breakdown of the Rehab Cost Not Attributable to Dwelling Use data.

Rehabilitation Cost Not Attributable to Residential Use

REHABILITATION COST NOT ATTRIBUTABLE TO RESIDENTIAL USE

1. Total Rehab Cost: (Without fees Lines G 36c + G41)** \$2,155,119

2. Rehab Cost Not Attributable (Dollar amounts without fees) ** \$30,000

3. Ratio of Not Attributable Project Not Attributable Square Feet sq. ft. divided by Total 2,300
Project Gross Square Feet 170,366 sq. ft. ** = 1.35 %

4. "As-Is" Not Attributable Total "As-Is" (Land and Structures)
X Ratio from #3 1.35 % = \$

5. Total Cost Not Attributable "As-Is" Not Attributable (#4) \$
and Rehab Cost Not Attributable (#2) \$ \$30,000 = \$ \$30,000

6. Cost Without Fees Total Rehab Cost Without Fees \$ \$2,155,119
(From #1) + Total "As-Is" Value \$
(From Line 73. of Form FHA 2264) = Total \$ \$2,155,119

7. The Percentage Not Attributable Divide Total Rehab Cost Not Attributable (#5) \$ \$30,000 by Total Cost Without Fees (#6) \$2,155,119
= 1.39 %

8. Line G 74 Total Estimated Replacement Cost of
Project* \$ \$2,836,362 X
Percentage Not Attributable (#7) 1.39 % = \$ 39,425

* The Total Estimated Replacement Cost must be that developed by a Replacement Cost Formula. Cost Not Attributable must not be adjusted if the Total Estimated Replacement Cost later changes.

Close

Figure 77. CNA Worksheet

4. Click **Close** to return to the Criterion 4 tab.

6.4.6.2.7.4 Criterion 5

The Criterion 5 tab (Figure 78) on the **MIM by LC** window displays the values and calculations for the amount based on the Debt Service Ratio. This information is view only.

Valuation - MIM by LC

Project Name: Proj/FHA Number:
 Project Address:

Criterion 1 | Criterion 3 | Criterion 4 | **Criterion 5** | Criterion 11 | Criterion Summary

Permanent Mortgage Interest Rate:	<input type="text" value="5.25"/>	% (A)
Permanent Mortgage Insurance Rate:	<input type="text" value="0.800"/>	% (B)
Initial Curtail Rate:	<input type="text" value="0.73644405"/>	% (C)
Debt Service Rate:	<input type="text" value="6.78644405"/>	% (D)=(A+B+C)
Net Income:	<input type="text" value="\$447,567"/>	x <input type="text" value="90.000"/> % = <input type="text" value="\$402,810"/> (E)
Annual Ground Rent:	<input type="text"/>	(F1)
Annual Payment of Special Assessment:	<input type="text"/>	(F2) = <input type="text" value="\$0"/> (F)=(F1 + F2)
	Subtotal:	<input type="text" value="\$402,810"/> (G)=(E - F)
Annual Tax Abatement Savings:	<input type="text"/>	divided by <input type="text"/> % = <input type="text"/> (I)
	Subtotal:	<input type="text" value="\$5,935,513"/> (H)=(G / D)
	Amount Based on Debt Service Ratio:	<input type="text" value="\$5,935,513"/> (J)=(H + I)

Close
Print 2264-A

Figure 78. MIM by LC Window - Criterion 5 Tab

To view Criterion 5:

1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Cost tab or Rehab Soft Cost tab, then click **MIM by LC**, and the **MIM by LC** window displays.
2. Select the Criterion 5 tab to examine the data.
3. Select another tab.

Alternative Option

Click **Close** to return to the Replacement Soft Cost tab.

6.4.6.2.7.5 Criterion 11

If mortgageable grants, loans, tax credits, and/or gifts exist, the Criterion 11 tab on the **MIM by LC** window (Figure 79) displays. MIM by LC is only applicable in Firm/SAME/Feasibility phases. The total of these items is deducted from the Value in Fee Simple or Replacement Cost.

For Acquisition/Refinance (223f) projects, the system calculates and displays the percent of the Fair Market Value for each type of secondary financing for the mortgageable amount.

For New Construction (220/221d3/d4) projects, the system calculates and displays the percent of the Replacement Cost for each type of secondary financing for the mortgageable amount.

The Criterion 11 information is view only.

Valuation - MIM by LC

Project Name: Proj/FHA Number:
 Project Address:

Criterion 1 | Criterion 3 | Criterion 4 | Criterion 5 | **Criterion 11** | Criterion Summary

100% Project Replacement Cost: (A)

Grants, Loans and Gifts: (1)
 Tax Credits: (2)
 Value of Leased Fee: (3)
 Excess Unusual Land Improvements: (4)
 Cost Containment Mortgage Deduction: (5)
 Unpaid Total Balance of Special Assessment: (6)

Total: B = (1)+(2)+(3)+(4)+(5)+(6)

Amount Based on Deduction of Grant(s), Loan(s), Tax Credit(s) and Gift(s) for mortgageable items: (A-B)

Close
Print 2264-A

Figure 79. MIM by LC Window - Criterion 11

To view Criterion 11:

1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Cost tab or Rehab Soft Cost tab, then click , and the **MIM by LC** window displays.
2. Select the Criterion 11 tab to examine the data.

3. Select another tab.

Alternative Option

4. Click to return to the Replacement Soft Cost tab.

6.4.6.2.7.6 Criterion Summary

The Criterion Summary tab (Figure 80) on the **MIM by LC** window displays for each criterion, its total amount rounded down to the nearest \$100. The *Maximum Insurable Mortgage* is the lowest of the Criterion Totals. This tab is view only.

Valuation - MIM by LC

Project Name: Proj/FHA Number:
 Project Address:

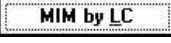
Criterion 1 Criterion 3 Criterion 4 Criterion 5 Criterion 11 **Criterion Summary**

Criteria	Criteria Total Round Down to Nearest \$100
1 - Mortgage or Loan Amount Requested on Application	\$7,150,000
3 - Mortgage Amount Based on Replacement Cost or Value	\$3,713,760
4 - Mortgage Amount Based on Limitation Per Family Unit	\$7,074,737
5 - Mortgage Amount Based on Debt Service Ratio	\$5,935,513
11 - Mortgage Amount Based on Deduction of Grant(s), Loan(s) & Gift(s)	\$4,001,400
Maximum Insurable Mortgage:	\$3,713,700

Close
Print 2264-A

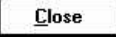
Figure 80. MIM by LC Window - Criterion Summary Tab

To view Criterion Summary:




1. From the **Estimate of Replacement Cost** window, select the Replacement Soft Cost tab or Rehab Soft Cost tab, then click , and the **MIM by LC** window displays.
2. Select the Criterion Summary tab to examine the data.

3. Select another tab.

Alternative Option

Click  to return to the Replacement Soft Cost tab.

6.4.6.2.7.7 *Print Form HUD-92264-A*

1. From any of the criterion tabs on the MIM by LC window, click  and the Print Preview window displays.
2. Click  to send to the printer.
3. Click  to return to the Replacement Soft Cost tab.

6.4.6.3 Depreciation

The Depreciation tab (Figure 81) on the **Estimate of Replacement Cost** window displays the *Total Estimated Development Cost*, amount of *Depreciation*, and the *Total Estimated Development Cost Less Depreciation*. In the space provided, briefly explain the *Methodology* used to determine the amount of Depreciation.

The screenshot shows the 'Estimate of Replacement Cost' window with the 'Depreciation' tab selected. At the top, 'Total Replacement Cost' is \$4,126,400. Below it, 'Less Depreciation' is shown. The 'Depreciation' tab is active, showing 'Total Estimated Development Cost' as \$4,126,400, 'Depreciation' as 0, and 'Total Estimated Development Cost Less Depreciation' as \$4,126,400. A 'Methodology' text box is at the bottom.

Field	Value
Total Replacement Cost	\$4,126,400
Less Depreciation	
Total Estimated Development Cost	\$4,126,400
Depreciation	0
Total Estimated Development Cost Less Depreciation	\$4,126,400

Figure 81. Estimate of Replacement Cost Window - Depreciation Tab

To enter/edit depreciation information:

1. From the **Estimate of Replacement Cost** window, select the Depreciation tab.
2. Enter the *Depreciation* dollar amount. (This field is limited to 9 digits.)
3. Enter the *Methodology* used to determine the *Depreciation* amount (25 character limit).
4. Save your work.
5. Select another tab.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.6.4 Land Cost/As Is Property Value

The *Land Cost/As Is Property Value* tab (Figure 82) on the **Estimate of Replacement Cost** window determines the *Warranted Price of Land*, *As Is Property Value* (Rehab projects only), and *Off-Site Costs* (Rehab projects only).

Warranted Price of Land populates from the Cost Certification tab on the **Project Site Analysis and Appraisal** window. For Rehab projects, the *Warranted Price of the Land* represents the estimated value of the land without improvements.

The screenshot shows a software window titled "Estimate of Replacement Cost". At the top, it displays "Total Replacement Cost" as \$4,126,400 and "Less Depreciation:" below it. Below these are two tabs: "Rehab Hard Costs" and "Rehab Soft Costs". A row of four tabs is visible: "Replacement Hard Costs", "Replacement Soft Costs", "Depreciation", and "Land Cost/As Is Property Value", with the last one being the active tab. The main area of the window contains three input fields: "Warranted Price of Land:" with a value of \$0, "As Is Property Value (Rehab Only):", and "Off-Site Costs (Rehab Only):".

Figure 82. Estimate of Replacement Cost Window - Land Cost/As Is Property Value Tab – New Construction

The screenshot shows the 'Estimate of Replacement Cost' window. At the top, there are fields for 'Project Name' (Greenview Apartments), 'Proj/FHA Number' (05235157), and 'Project Address' (15 Hollander Ridge Rd. Baltimore, MD 21232-). Below these is a 'Total Rehabilitation Cost' field showing '\$3,983,999'. A tabbed interface is visible with tabs for 'Rehab Hard Costs', 'Rehab Soft Costs', 'Replacement Hard Costs', 'Replacement Soft Costs', 'Depreciation', and 'Land Cost/As Is Property Value'. The 'Land Cost/As Is Property Value' tab is selected. Under this tab, there are three input fields: 'Warranted Price of Land' (set to \$0), 'As Is Property Value (Rehab Only)' (empty), and 'Off-Site Costs (Rehab Only)' (set to \$0).

Figure 83: Estimate of Replacement Cost Window - Land Cost/As Is Property Value Tab – SubRehab

To enter land cost and as is property value:

1. From the **Estimate of Replacement Cost** window, select the Land Cost/As Is Property Value tab.
2. For Rehab projects, enter:
 - *As Is Property Value*
 - *Off-Site Costs*
3. Save your work.
4. Select another tab.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.6.5 Rehab Hard Costs

The *Rehab Hard Cost* tab (Figure 84) on the **Estimate of Replacement Cost** window displays the ‘hard costs’ for land improvements, structures, and fees determined by the Cost Analyst for the project’s rehabilitation. This tab is available for rehabilitation projects only. The data is view only.

Estimate of Replacement Cost

Project Name: Proj/FHA Number:

Project Address:

Total Rehabilitation Cost:

Replacement Hard Costs | Replacement Soft Costs | Depreciation | Land Cost/As Is Property Value

Rehab Hard Costs | Rehab Soft Costs

LAND IMPROVEMENTS	
Unusual Land Improvements	<input type="text" value="\$0"/>
Other Land Improvements	<input type="text" value="\$21,200"/>
TOTAL LAND IMPROVEMENTS	<input type="text" value="\$21,200"/>
STRUCTURES	
Main Buildings	<input type="text" value="\$3,006,600"/>
Accessory Building	<input type="text" value="\$0"/>
Garages	<input type="text" value="\$0"/>
All Other Building	<input type="text" value="\$0"/>
TOTAL STRUCTURES	<input type="text" value="\$3,006,600"/>
General Requirements	<input type="text" value="\$136,251"/>
FEES	

13-22-04 13:28:25

Figure 84. Estimate of Replacement Cost Window - Rehab Hard Costs Tab

To view Rehab Hard Costs:

1. From the **Estimate of Replacement Cost** window, select the *Rehab Hard Costs* tab.
2. Use the vertical scroll bar on the right side of the tab to view all the data.
3. Select another tab.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.


6.4.6.6 Rehab Soft Costs

The *Rehab Soft Costs* tab on the **Estimate of Replacement Cost** window (Figure 85 through Figure 86) is used to determine the project's Rehab Soft Costs. You can enter and update applicable *carrying charges & financing fees, organization, legal & audit fees and other development fees*. You can set the applicable *Developer's Fee / BSPRA or SPRA* amount and edit the *Permanent MIP %* and *Annual FHA MIP %*.

After entering the applicable fees and amounts, calculate the *MIM by RCF* and the *MIM by LC*, if applicable.

When you adjust the MIM by RCF and MIM by LC data, the values update automatically.

Figure 85. Estimate of Replacement Cost Window - Rehab Soft Costs Tab (1 of 2)

 **Note:** *A* = (half the mortgage amount + half the As Is amount + demolition + off-site). *B* is the amount of interest during construction. Interest during construction = (Construction Interest Rate/12) * Construction Interest Period * *A*.

----- Carrying Charges & Financing -----	
FNMA/GNMA Fee:	1.50000000 % \$53,783
Title & Recording:	\$1,850
TOTAL CARRYING CHARGES & FINANCING:	\$292,479
----- Legal, Organization & Audit Fee -----	
Legal:	\$1,620
Organization:	\$5,820
Cost Certification Audit Fee:	
TOTAL LEGAL, ORGANIZATION & AUDIT FEES:	\$7,440
Sponsor Profit & Risk Allowance	\$31,952
Relocation Costs:	
Ground Rent During Construction:	\$0
Consultant Fee (N. P. only):	
Supplemental Management Fund:	
Contingency Reserve(Sec.202 or Rehab only):	\$316,405
Total Soft Costs:	\$648,276

Figure 86. Estimate of Replacement Cost Window - Rehab Soft Costs Tab (2 of 2)

To enter Rehab Soft Costs:

1. From the Estimate of Replacement Cost window, select the Rehab Soft Costs tab.
2. Enter the following data (if applicable):
 - Land *Indebtedness*
 - *High Cost %* or *Waiver %*
3. Secondary Financing, for the mortgageable amount only (see Section 6.4.6.2.1).
4. In Annual Tax Abatement section, enter the applicable data
 - Annual Tax Abatement *Savings* **and** Tax Abatement *Terms*

- OR -

 - Additional Mortgage dollar amount
5. In the Carrying Charges & Financing section, enter the applicable data:
 - *Mos. at %* (Construction Interest Rate) (up to eight (8) decimal places)
 - *Taxes*
 - *Insurance*
 - *FHA Mtg. Ins. Prem*
 - *FHA Exam. Fee %*
 - *Financing Fee %*
 - *FNMA/GNMA Fee %*

- *Title & Recording*



Note: Financing Fee default is 2%, and FNMA/ GNMA Fee default is 1.5%. The combined fees cannot exceed 3.5%, except bond financed projects cannot exceed 5.5%.



Note: For 221d3 non-profit projects, the AMPO amount field represents the Developer's Fee. For all others, AMPO % will be null.

6. In the Legal, Organization & Audit Fee section, enter the applicable data:

- *Legal*
- *Organization*
- *Cost Certification Audit Fee*

7. Enter other development fees that may apply:

- *Relocation Costs*



Note: When printing the form HUD-92264, Section G, the amounts for Relocation Costs and Ground Rent are added together and printed next to Consultant Fee (N.P. only).

8. Click to enter relevant comments.

9. Calculate MIM By RCF. Refer to Section 6.4.6.2.6.

10. Calculate MIM By LC, if applicable. Refer to Section 6.4.6.2.7.

11. Save your work.

12. Select another tab.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

To change the Secondary Financing:

Refer to Section 6.4.6.2.1 for the procedure.

To change the Permanent MIP percent:

Refer to Section 6.4.6.2.2 for the procedure.

To change the Annual FHA MIP percent:

Refer to Section 6.4.6.2.3 for the procedure.

To change the BSPRA or SPRA Amount:

Refer to Section 6.4.6.2.5 for the procedure.

To determine MIM by RCF:

Refer to Section 6.4.6.2.6 for the procedure.

To view MIM By LC:

Refer to Section 6.4.6.2.7 for the procedure.

6.4.7 Estimate of Initial Operating Deficit (New Constr. and Rehab)

The **Estimated Operating Deficit** window (Figure 87) calculates the total initial operating deficit for new construction and rehabilitation projects. The deficit represents the amount that a project's expenses and debt service requirements exceed the effective gross income. The period covered is from certificate of occupancy until the project reaches sustaining occupancy (when effective gross income is not exceeded by expenses and debt service).



Note: *One period of positive income does not cancel a prior period of income deficiency. The operating deficit escrow represents the total of all cumulative losses projected to occur before the project reaches sustaining occupancy, breaks even, and produces a positive cash flow to the equity position.*

The total operating deficit is calculated based on the sum of three intervals, which are located on the **Estimated Operating Deficit** window (Figure 87):

- Interval 1 is the period between issuance of the certificate of occupancy and end of the construction period. The period is from zero months to the length of the construction period (i.e., months to completion plus two).
- Interval 2 is the period between the end of the construction period and beginning of amortization. The period is from zero to two months.
- Interval 3 starts at the beginning of amortization and ends when the project reaches sustaining occupancy.

You can add and delete monthly operating deficits.

Valuation - Estimated Operating Deficit

Project Name: Proj/FHA Number:

Project Address:

Calculated Total Initial Operating Deficit: Months to reach Sustaining Occupancy:

Number of months between Certificate of Occupancy and end of Construction Period (Interval 1):

Number of months between end of Construction Period and beginning of Amortization (Interval 2):

Number of months between the Start of Amortization and Positive IOD (Interval 3):

Monthly Period	Gross Income	Cumulative # Rented Units	Occupied %	Effective Gross Income	Expenses	Net Income	Debt Service Requirement	Deficit
1	\$41,950	4	9.524	\$3,995	\$1,830	\$2,165		\$2,165
2	\$41,950	6	14.286	\$5,993	\$2,750	\$3,243		\$3,243
3	\$41,950	16	38.095	\$15,981	\$11,500	\$4,481		\$4,481
4	\$41,950	24	57.143	\$23,971	\$17,500	\$6,471	\$18,723	(\$12,252)
5	\$41,950	28	66.667	\$27,967	\$12,500	\$15,467	\$18,723	(\$3,256)

13:19:04 15/22/14

Figure 87. Estimated Operating Deficit Window

Form HUD-92264, Section I

Form HUD-92264, Section I allows only two rows, 1st Period and 2nd Period, for the operating deficit analysis. The amount in the first line represents Period 1, which is the total amount of the monthly operating deficit in Interval 1 and Interval 2. The second line represents Period 2, the summation of the monthly periods in Interval 3.

To enter number of months for Intervals 1 and 2:

1. From the **Valuation Main Menu** window, select the *Estimate of Initial Operating Deficit* radio button, and the **Estimated Operating Deficit** window displays.

If the construction period was not defined in the Cost subsystem, the estimated operating deficit cannot be processed in Valuation. The **Operating Deficit Validation** window (Figure 88) displays on top of the **Estimated Operating Deficit** window. Contact the Cost Specialist and ask that the construction time be defined.



Figure 88. Operating Deficit Validation Window - Estimated Construction Time

2. Enter the number of months in the Interval 1 box.



Note: For Interval 1, you can enter a minimum of zero (0) months, and the maximum number of months cannot exceed the construction period, which is the Estimated Construction Time (months).

If the number entered is not within the construction period, the **Operating Deficit Validation** window (Figure 89) displays.

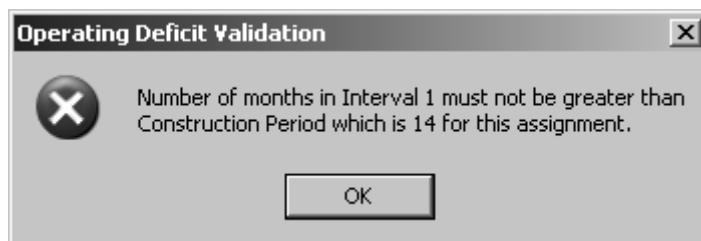


Figure 89. Operating Deficit Validation Window - Invalid Entry for Interval 1

3. Enter number months in the Interval 2 box. If the number entered is more than two months, the **Operating Deficit Validation** window (Figure 90) displays.



Note: For Interval 2, number of months entered must be a minimum of zero (0) months and a maximum of two (2) months.

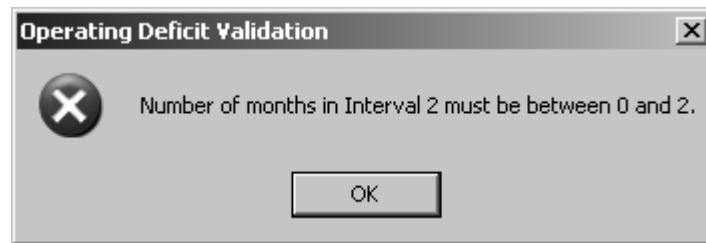


Figure 90. Operating Deficit Validation Window - Invalid Entry for Interval 2

4. Save your work.
5. Select another tab.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.7.1 Maintain Monthly Operating Deficit

The **Maintain Monthly Operating Deficit** window (Figure 91 through Figure 93) displays the components used to calculate the monthly operating deficit. The applicable interval is indicated in the window's title bar. Different intervals require the entry of different information.

To display the Maintain Monthly Operating Deficit window:

From **Estimated Operating Deficit** window, select **File**, then **New**. Depending on the monthly period you are processing, the **Maintain Monthly Operating Deficit** window for Intervals 1, 2 or 3 (Figure 91 through Figure 93) displays.



Note: *The Monthly Operating Deficit for Intervals 1, 2, and 3 consist of the following:*

Interval 1 is Effective Gross Income minus Expenses. Debt Service Requirement does not apply to Interval 1.

Interval 2 is Effective Gross Income minus Expenses minus Debt Service Requirement. The debt service is ground rent plus not amortized debt service.

Interval 3 is Effective Gross Income minus Expenses minus Debt Service Requirement. The debt service is ground rent, replacement reserve deposit, and amortized debt service.

Valuation - Maintain Monthly Operating Deficit - (Interval 1)	
Monthly Period:	1
Gross Income:	\$41,950
# of Units Rented this Period:	4
Expense:	1,830
Debt Service Requirement	
Replacement Reserve Requirement:	N/A
Debt Service Amount:	N/A
Ground Rent:	N/A
Total Debt Service Requirement:	N/A
<input type="button" value="OK"/> <input type="button" value="Cancel"/> <input type="button" value="Delete"/>	

Figure 91. Maintain Monthly Operating Deficit Window (Interval 1)

Valuation - Maintain Monthly Operating Deficit - (Interval 2)

Monthly Period:	4
Gross Income:	\$41,950
# of Units Rented this Period:	8
Expense:	\$17,500
Debt Service Requirement	
Replacement Reserve Requirement:	N/A
Not Amortized Debt Service Amount: (payment to interest and MIP)	\$18,723
Ground Rent:	
Total Debt Service Requirement:	\$18,723

OK Cancel Delete

Figure 92. Maintain Monthly Operating Deficit Window (Interval 2)

Valuation - Maintain Monthly Operating Deficit - (Interval 3)

Monthly Period:	6
Gross Income:	\$41,950
# of Units Rented this Period:	4
Expense:	17,500
Debt Service Requirement	
Replacement Reserve Requirement:	\$1,715
Amortized Debt Service Amount: (payment to principle and interest and MIP)	\$21,002
Ground Rent:	
Total Debt Service Requirement:	\$22,717

OK Cancel Delete

Figure 93. Maintain Monthly Operating Deficit Window (Interval 3)

To create a new monthly period:

1. From **Estimated Operating Deficit** window, select **F**ile, then **N**ew, and the **Maintain Monthly Operating Deficit (Interval 1)** window displays.
2. Enter # of *Units Rented this Period*.

If the number entered exceeds the total number of dwelling units, the **Operating Deficit Validation** window (Figure 94) displays.

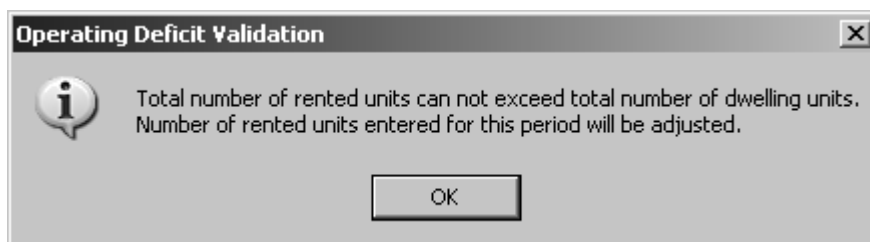


Figure 94. Operating Deficit Validation Window - Invalid Entry for Rental Units

3. Enter *Expense* amount.

If the amount entered causes a positive operating deficit in the Interval 3, the **Operating Deficit Validation** window (Figure 95) displays.

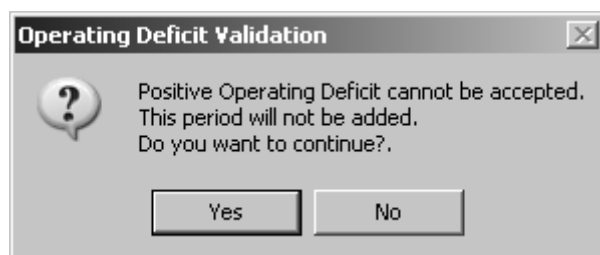


Figure 95. Operating Deficit Validation Window - Positive Operating Deficit - Add Period

4. Click to save, and the **Estimated Operating Deficit** window displays the *Calculated Total Initial Operating Deficit*. A summary of your entry displays in the monthly operating deficit table.
5. Repeat steps 1 through 4 for additional monthly periods until there is a Positive Operating Deficit in the 3rd Interval.



Note: After creating the monthly operating deficits, you can add new ones. The system automatically places them at the bottom of the list in the monthly operating deficit table. You cannot insert a new monthly operating deficit between existing entries.

To edit a monthly period:

1. From **Estimated Operating Deficit** window, select the monthly period you want to edit from the table.
2. Select **F**ile, then **O**pen, and **Maintain Monthly Operating Deficit** window displays.
3. Select the monthly period(s) and make your edits.

When changes to an *Expense* cause a positive operating deficit, the system verifies your action by displaying the **Operating Deficit Validation** window (Figure 96). If you accept the edit, all monthly periods listed after the one you are editing are deleted. If you do not accept the edit, you return to the **Maintain Monthly Operating Deficit** window.

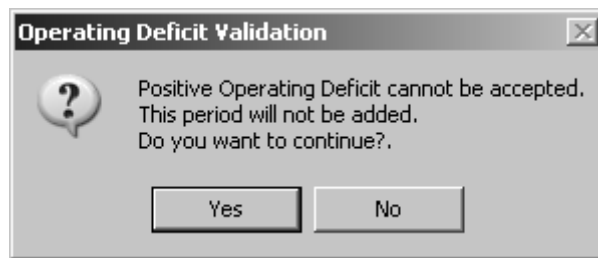


Figure 96. Operating Deficit Validation Window

4. Click to save your work and return to the **Estimated Operating Deficit** window.

To delete a monthly period:

1. Select the monthly period you want to delete from the table.
2. Right click your mouse, and the **E**dit menu displays.
3. Select **D**eflete.
4. Click .

– OR –

From the **Maintain Monthly Operating Deficit**, click .

6.4.8 Project Site Analysis and Appraisal

The **Project Site Analysis and Appraisal** window displays the property name and address as well as six tabs: Site Inspection, Value Fully Improved, Value As Is, Acquisition Cost, Other Costs, and Cost Certification. The Site Inspection tab displays first by default.

If the project has scattered sites, a selection window displays for you to choose the site for analysis and appraisal. You must complete an analysis and appraisal for each site.

Determine the warranted price of land fully improved for the project and use the following three methods to determine the commissioner's estimated value of the land "As Is" for the project:

- Estimate of value "As Is" by Subtraction from Improved Value
- Estimate of value "As Is" by Direct Comparison with similar unimproved sites
- Value "As Is" based on Acquisition Cost to Sponsor.

6.4.8.1 Site Inspection

The Site Inspection tab (Figure 97) on the **Project Site Analysis and Appraisal** window displays a questionnaire about the acceptability of the site, a notes button, and the date of inspection.

Development Application Processing

File Edit View Window Help

Project Site Analysis and Appraisal

Project Name: Green Hills Proj/FHA Number: 05235153
 Project Address: 55 E. Hollins St. Baltimore, MD 21234-

Site Inspection Value Fully Improved Value As Is Acquisition Cost Other Costs Cost Certification

Is Location and Neighborhood Acceptable? Yes
 Is Site Adequate in Size for Proposed Project? Yes
 Is Site Zoning Permissive for Intended Use? Yes
 Are Utilities Available Now to Serve the Site? Yes
 Is there a Market at this Location for the Facility at the Proposed Rents? Yes

Notes...
 Date of Inspection: 01/14/2004

Site Acceptable for Type of Project Proposed Under Section 221d4? ☒ (Please List Qualifications in Notes)
 Site Not Acceptable ☐ (Please List Reasons in Notes)

13-19-04 15:24:11

Figure 97. Project Site Analysis and Appraisal Window - Site Inspection Tab

To enter site inspection information:

1. From the **Valuation Main Menu** window, select the *Project Site Analysis and Appraisal* radio button.
2. Click , and the Site Inspection tab displays by default.
3. For each of the questions, select “Yes” or “No” from the drop down list.
4. Select the appropriate check box as to the acceptability of the site.
5. Click to qualify the acceptability or unacceptability of the site.

You also may note the conditions for site acceptance.

6. Enter *Date of Inspection*.
7. Save your work.
8. Select another tab.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.8.2 Value Fully Improved

The Value Fully Improved tab on the **Project Site Analysis and Appraisal** window (Figure 98 through Figure 100) displays the value of a fully improved site and a list of comparable projects. You can enter a maximum of five comparables.

Based on your review of the comparable properties, you may enter adjustments to the sales price based on the differences between the comparable and subject properties. The system calculates the *Indicated Value by Comparison* for each comparable property. An estimate of the value of the subject property “fully improved” is derived from the comparable information. Enter notes to record any additional information that relates to the analysis or adjustments. If comparable sales are unavailable in the subject property’s immediate area, then obtain data from the nearest similar area or community that has such data.

Development Application Processing

File Edit View Window Help

Project Site Analysis and Appraisal

Project Name: Proj/FHA Number:

Project Address:

Site Inspection **Value Fully Improved** Value As Is Acquisition Cost Other Costs Cost Certification

Value of Site Fully Improved:

Comparable Sales Address	Date of Sales	Sales Price	Size Sq Ft	Price Per Sq Ft	Units Permitted	Pri Per
1000 S. Charles St	05/05/1999	\$1,720,000	342,500	\$5.02	125	\$13
1500 Light St.	02/01/2001	\$1,531,925	450,000	\$3.40	100	\$15
4300 Old York Rd.	06/15/2002	\$1,478,000	462,000	\$3.20	110	\$13

Notes...

13-19-04 15:30:15

Figure 98. Project Site Analysis and Appraisal - Value Fully Improved Tab (1 of 3)

lottage	Demolition	Piling Etc.	Other	Total Adjustment Factor	Adjusted Sq Ft. Price	Indicated Value by Comparison
1.000	1.100	1.000	1.000	0.941	\$4.72	\$1,350,812
1.000	1.050	1.000	1.000	1.011	\$3.44	\$984,490
1.000	1.050	1.000	1.000	0.974	\$3.12	\$892,910

Figure 99. Project Site Analysis and Appraisal - Value Fully Improved Tab (2 of 3)

lottage	Demolition	Piling Etc.	Other	Total Adjustment Factor	Adjusted Sq Ft. Price	Indicated Value by Comparison
1.000	1.100	1.000	1.000	0.941	\$4.72	\$1,350,812
1.000	1.050	1.000	1.000	1.011	\$3.44	\$984,490
1.000	1.050	1.000	1.000	0.974	\$3.12	\$892,910

Figure 100. Project Site Analysis and Appraisal - Value Fully Improved Tab (3 of 3)

To add comparables:

1. From the **Project Site Analysis and Appraisal** window, select the Value Fully Improved tab.
2. Click , and the **Maintain Value Fully Improved Comparables** window (Figure 101) displays.
3. See Section 6.4.8.2.1 for more instructions.

To delete a comparable:

1. From the **Project Site Analysis and Appraisal** window, select the Value Fully Improved tab.
2. Highlight the comparable you want to delete.
3. Click .
4. Click to delete the comparable.
5. Save your work.

6.4.8.2.1 Maintain Value Fully Improved Comparables

The **Maintain Value Fully Improved Comparables** window (Figure 101) displays the comparable address, information about the comparable, adjustments, and the calculation determining the indicated value by comparison. You can add adjustments that do not already appear on the adjustments list. You also can add and delete comparables, and add notes.

Valuation - Maintain Value Fully Improved Comparables

Project Name: Proj/FHA Number:

Property Name:

Property Number:

Property Address:

Comparable 1 of 3

Address:

City: State: ZIP: -

Sale Date: Price: Size (Sq Ft): Units Permitted:

Compute Adjustments and Indicated Value by Comparison Using: ☒ Sq. Ft. ☐ Units Permitted

Adjustment Name	Factor
Time:	1.000
Location:	0.900
Zoning:	0.950
Plottage:	1.000
Demolition:	1.100

Total Adjustment Factor: (A)

Price per Sq. Ft.: (B)

Adjusted Price per Sq. Ft. (A*B): (C)

Size of Subject Property: (D)

Indicated Value by Comparison (C*D): (E)

Figure 101. Maintain Value Fully Improved Comparables Window

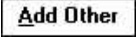
To enter/edit Value Fully Improved Comparable information:

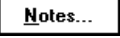
1. From the **Project Site Analysis and Appraisal** window, select the Value Fully Improved tab.
2. Double click the comparable to open the record or click to create a new comparable, and the **Maintain Value Fully Improved Comparables** window (Figure 101) displays.
3. Enter *Address*, *City*, *State*, and *ZIP*.
4. Enter *Sale Date*, *Price*, *Size (Sq. Ft.)*, and *Units Permitted*.
5. Click the radio button for the method of computing adjustments and indicated value.
6. Enter the *Factor* for each adjustment.




Note: The adjustment factors must not be less than 0.001 nor more than 9.999.

- OR -

Insert a blank row to enter another adjustment by clicking .

7. Click  to add comments.
8. Save your work, and the system updates *Total Adjustment Factor*, *Price per Unit*, *Adjustment Price per Unit (A*B)*, and *Indicated Value by Comparison (C*D)*.
9. From the **F**ile menu, select **C**lose, and the Value Fully Improved tab displays a summary of the comparable.

Alternative Option

To add more comparables, click .

10. On the Value Fully Improved tab, enter *Value of Site Fully Improved* based on the comparable data.




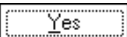
Note: For a site purchased from a public body, the Value of Site Fully Improved must not exceed the sum of the purchase price, off-site cost, and demolition. If the number entered is greater than the purchase price, the purchase price must replace the higher amount. However, please note that for the purpose of calculating Value of Site Fully Improved not attributable to dwelling use, this rule does not apply.

11. Save your work.
12. Select another tab.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

To delete a comparable:

1. From the **Maintain Value Fully Improved Comparables** window, click .
2. Click  to delete the comparable, and the system returns you to the Value Fully Improved tab on the **Project Site Analysis and Appraisal** window.
3. Save your work.


6.4.8.3 Value As Is

The Value As Is tab (Figure 102) on the **Project Site Analysis and Appraisal** window displays the Value of Site “As Is” by Comparison and a list of comparable sales. You may add comparables to the list. You may also add notes.

Project Site Analysis and Appraisal						
Project Name: <input type="text" value="Green Hills"/>			Proj/FHA Number: <input type="text" value="05235153"/>			
Project Address: <input type="text" value="55 E. Hollins St. Baltimore, MD 21234-"/>						
Site Inspection	Value Fully Improved	Value As Is	Acquisition Cost	Other Costs	Cost Certification	
Value of Site "As Is" by Comparison: <input type="text" value=""/>			\$			
Comparable Sales Address	Date of Sales	Sales Price	Size Sq Ft	Price Per Sq Ft	Units Permitted	Pri Per
<div> <input type="text"/> <input type="button" value="Add Comparable..."/> <input type="button" value="Delete Comparable"/> </div>						

Figure 102. Project Site Analysis and Appraisal Window - Value As Is Tab (1 of 3)

To add comparables:

1. From the **Project Site Analysis and Appraisal** window, select the Value As Is tab.
2. Click , and **Maintain Value As Is Comparables** window (Figure 103) displays.
3. See Section 6.4.8.3.1 for instructions.

6.4.8.3.1 Maintain Value As Is Comparables

The **Maintain Value As Is Comparables** window (Figure 103) displays the comparable address, information about the comparable, adjustments, and the calculation determining the indicated value by comparison. You can add adjustments that do not appear on the list. You also can add a comparable, delete the comparable, and add notes.



Note: Before entering the Date Assignment Closed on the Assignment tab, you must enter at least three comparables. The maximum number is five.

Valuation - Maintain Value As Is Comparables

Project Name: Proj/FHA Number:

Property Name:

Property Number:

Property Address:

Comparable 1 of 1

Address:

City: State: ZIP: -

Sale Date: Price: Size (Sq Ft): Units Permitted:

Compute Adjustments and Indicated Value by Comparison Using: ☒ Sq. Ft. ☐ Units Permitted

Adjustment Name	Factor
Time:	1.000
Location:	1.000
Zoning:	1.000
Plottage:	1.000
Demolition:	1.000

Total Adjustment Factor: (A)

Price per Sq. Ft.: (B)

Adjusted Price per Sq. Ft (A*B): (C)

Size of Subject Property: (D)

Indicated Value by Comparison (C'D): (E)

13-19-04 15:33:44

Figure 103. Maintain Value As Is Comparable Window

To enter/edit Value As Is Comparables information:

1. From the **Project Site Analysis and Appraisal** window, select the Value As Is tab.
2. Double click the comparable to open the record or click to create a new comparable, and the **Maintain Value As Is Comparables** window (Figure 103) displays.
3. Enter *Address*, *City*, *State*, and *ZIP*.
4. Enter *Sale Date*, *Price*, *Size (Sq. Ft.)*, and *Units Permitted*.
5. Click the radio button for the method of computing adjustments and indicated value.
6. Enter the *Factor* for each adjustment.



Note: *The adjustment factor must not be less than 0.001 nor more than 9.999.*

Alternative Option

Insert a blank row to enter another adjustment by clicking .

7. Click to add comments.
8. Save your work, and the *Total Adjustment Factor*, *Price per Unit*, *Adjustment Price per Unit* ($A*B$), and *Indicated Value by Comparison* ($C*D$) update automatically.
9. From the **F**ile menu, select **C**lose, and the Value Fully Improved tab displays a summary of the comparable.

Alternative Option

You may add comparables by clicking and repeating Steps 1-6.

10. On the Value Fully Improved tab, enter *Value of Site "As Is" by Comparison*.
11. Save your work.
12. Select another tab.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

To delete a comparable:

1. From the **Maintain Value As Is Comparables** window, click .
2. Click to delete the comparable, and the system returns you to the Value As Is tab on the **Project Site Analysis and Appraisal** window.
3. Save your work.
4. From the **F**ile menu, select **C**lose, and the **Project Site Analysis and Appraisal** window displays.

6.4.8.4 Acquisition Cost

The Acquisition Cost tab (Figure 104) on the **Project Site Analysis and Appraisal** window displays last arms - length transaction information. If there is more than one transaction for a site, then you must identify which transaction is the last arms-length transaction. After identifying the last arms-length transaction, you calculate the total acquisition cost to the sponsor.

The screenshot shows the 'Project Site Analysis and Appraisal' window with the 'Acquisition Cost' tab selected. The window contains the following fields and sections:

- Project Name:** Green Hills
- Proj/FHA Number:** 05235153
- Project Address:** 55 E. Hollins St. Baltimore, MD 21234-
- Tabs:** Site Inspection, Value Fully Improved, Value As Is, **Acquisition Cost**, Other Costs, Cost Certification
- Last Arms- Length Transaction**
 - Buyer**
 - Name:** Garden Group (LLC)
 - Address:** [Empty]
 - City:** Baltimore
 - State:** Maryland (dropdown)
 - ZIP:** [Empty] - [Empty]
 - Seller**
 - Name:** The Calvert Group
 - Address:** [Empty]
 - City:** Baltimore
 - State:** Maryland (dropdown)
 - ZIP:** [Empty] - [Empty]
- Date Acquired:** 07/14/2002
- Source:** Sales Contract
- Purchase Price:** \$1,250,000
- Was the Land Acquired from a Public Entity?** [Empty] (dropdown)
- Notes...** [Empty text area]

Figure 104. Project Site Analysis and Appraisal Window - Acquisition Cost Tab

To enter acquisition cost information:

1. From the **Project Site Analysis and Appraisal** window, select the Acquisition Cost tab.
2. Enter Buyer information.
 - *Name*
 - *Address*
 - *City*
 - *State*
 - *ZIP*

3. Enter Seller information.
 - *Name*
 - *Address*
 - *City*
 - *State*
 - *ZIP*
4. Enter *Date Acquired*.
5. Enter *Source*.
6. Enter *Purchase Price*. If you do not know the *Purchase Price* and the *Date Acquired* is more than five years ago, enter an explanatory note justifying the lack of *Purchase Price*, otherwise a validation message (Figure 105) displays.

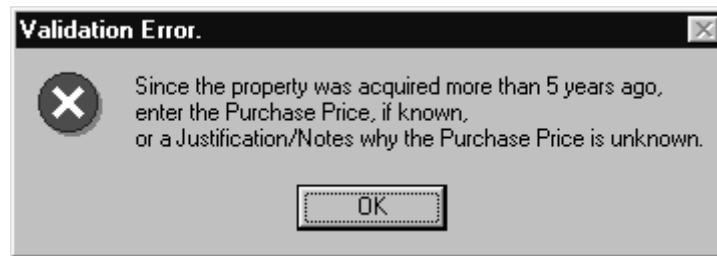


Figure 105. Purchase Price Validation Message

7. Select whether the land was acquired from a public entity, from the drop down list.
8. Save your work.

If you did not enter the *Purchase Price*, a validation message (Figure 106) displays.



Figure 106. Purchase Price Warning Message

9. Select another tab.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.8.5 Other Costs

The Other Costs tab (Figure 107) on the **Project Site Analysis and Appraisal** window displays all other costs not previously specified from the last arms-length transaction. You can add non-standard cost items as well as notes.

Project Site Analysis and Appraisal

Project Name: Proj/FHA Number:
 Project Address:

Site Inspection | Value Fully Improved | Value As Is | Acquisition Cost | **Other Costs** | Cost Certification

Last Arms-Length Transaction

Cost Name	Cost Amount
Legal Fees and Zoning Costs	\$75,000
Recording and Title Fees	\$3,000
Interest on Investment	\$27,000
Total Other Costs:	\$105,000

Acquisition Cost

Acquisition Costs +
 Total Other Costs

Notes...

Figure 107. Project Site Analysis and Appraisal Window - Other Costs Tab

To enter other project costs:

1. From the **Project Site Analysis and Appraisal** window, select the Other Costs tab.
2. Enter *Legal Fees and Zoning Costs*.
3. Enter *Recording and Title Fees*.
4. Enter *Interest on Investment*.
5. Save your work.
6. Select another tab.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

To add non-standard costs:

1. Click , and a blank row displays at the end of the list.
2. Enter the non-standard *Cost Item*.
3. Enter the non-standard *Cost Amount*.
4. Save your work.
5. Select another tab.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

To add notes:

1. Click , and the **Other Cost Remarks** window displays.
2. Enter your comments.
3. Click to save your work and return to the Other Costs tab.
4. Select another tab.

Alternative Option

From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.8.6 Cost Certification

The Cost Certification tab (Figure 108) on the **Project Site Analysis and Appraisal** window displays information for cost certification purposes.

Project Site Analysis and Appraisal

Project Name: Proj/FHA Number:
 Project Address:

Site Inspection | Value Fully Improved | Value As Is | Acquisition Cost | Other Costs | **Cost Certification**

Fair Market Value of Land Fully Improved:
 Unusual Land Improvements:
 Warranted Price of Land Fully Improved:

For Cost Certification Purposes

Demolition Cost:
 Off Site Cost to be Paid by Mtgr. or by Special Assessment:
 Estimate of "As Is" by Subtraction from Improved Value:
 Estimate of "As Is" by Direct Comparison with Similar Unimproved Sites:
 Estimate of "As Is" Based on Acquisition Cost to Sponsor:
 Commissioner's Estimated Value of Land "As Is":

Figure 108. Project Site Analysis and Appraisal Window - Cost Certification Tab

To view cost certification data:

1. From the **Project Site Analysis and Appraisal** window, select the Cost Certification tab.



Note: The value varies according to the seller. If the property was acquired from a Public Body, then the value is the lower of the three estimates in Figure 108. Otherwise, it is the lower of the first two estimates.

2. Select another tab.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

To add notes:

1. Click and the **Cost Certification Remarks** window displays.
2. Enter your comments.
3. Click to save your work and return to the Cost Certification tab.
4. Select another tab.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.9 Income Approach to Value

The **Income Approach to Value** window (Figure 109) allows the Appraiser to determine the *Allowable Mortgage Term*, *Capitalized Value* and *Value of Leased Fee*. You may also view and print form HUD-92264, Section K from within this window.

Development Application Processing
File Edit View Window Help

Project Name: Greene River Apts Proj/FHA Number:
Project Address: 8900 Potomac Avenue Hagerstown, MD 21247-

Valuation - Income Approach to Value

Estimated Remaining Economic Life : 55 Years (A)

Mortgage Terms
Requested : 35 Years
Calculated : 35 Years
Allowable : 35 Years

Capitalized Rate Determined By:
☒ Overall Rate From Comparable Projects
☐ Rate From Band of Investment
☐ Cash Flow to Equity

Rate Selected : 6.250 % (B)
Net Income : \$844,388 (C)
Calculated Capitalized Value (C/B) : \$13,510,208 (D)
Capitalized Value Selected : \$12,500,000 (E)
Ground Rent : (F)
Cap Rate : % (G)
Calculated Value of Leased Fee (F/G) : (H)
Value of Leased Fee Selected : (I)

Notes...

Figure 109. Income Approach to Value Window –223f with no Ground Rent

Valuation - Income Approach to Value

Project Name: Everholm TC Residences Proj/FHA Number: 05235150
Project Address: 601 S. Broadway Baltimore, MD 21215-

Estimated Remaining Economic Life : 50 Years (A)

Mortgage Terms
Requested : 40 Years
Calculated : 37 Years
Allowable : 37 Years

Capitalized Rate Determined By:
☐ Overall Rate From Comparable Projects
☐ Rate From Band of Investment
☐ Cash Flow to Equity

Rate Selected : % (B)
Net Income : (C)
Calculated Capitalized Value (C/B) : (D)
Capitalized Value Selected : (E)
Ground Rent : \$12,000 (F)
Cap Rate : % (G)
Calculated Value of Leased Fee (F/G) : (H)
Value of Leased Fee Selected : \$1,500,000 (I)

Notes...

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Figure 110. Income Approach to Value Window – 223f with Ground Rent and no Option to Buy

Valuation - Income Approach to Value

Project Name: Proj/FHA Number:

Project Address:

Estimated Remaining Economic Life : Years (A)

Mortgage Terms

Requested : Years

Calculated : Years

Allowable : Years

Capitalized Rate Determined By:

☐ Overall Rate From Comparable Projects

☐ Rate From Band of Investment

☐ Cash Flow to Equity

Rate Selected : % (B)

Net Income : (C)

Calculated Capitalized Value (C/B) : (D)

Capitalized Value Selected : (E)

Ground Rent : (F)

Cap Rate : % (G)

Calculated Value of Leased Fee (F/G) : (H)

Value of Leased Fee Selected : (I)

Notes...

Figure 111. Income Approach to Value Window – 221d4 with Ground Rent and Option to Buy

To enter/edit Income Approach To Value information:

1. From the Valuation Menu on the General tab, select the *Income Approach to Value* radio button. The **Income Approach to Value** window displays (Figure 109).
2. Enter the *Estimated Remaining Economic Life* in years (Figure 109). The system determines the *Calculated Mortgage Term* and the *Allowable Mortgage Term*.
 - a. The *Calculated Mortgage Term* is equal to the lesser of:
 - 75% of the *Estimated Remaining Economic Life* rounded down to the nearest whole year
 - 40 yrs for 220, 221(d)(3) and (d)(4) projects or 35 yrs for 223f projects
 - b. The *Allowable Mortgage Term* is equal to the lesser of the Requested Mortgage Term or the *Calculated Mortgage Term*.
3. To determine *Capitalized Value* for 223f Refinance and Purchase/Acquisition projects (Figure 109):
 - a. Define the Capitalization Rate (Cap Rate) by using one of the following methods:
 - Overall Rate from Comparable Projects
 - Rate from Band of Investment
 - Cash Flow to Equity

- b. Enter *Rate Selected*. The system will calculate the *Calculated Capitalized Value* that is equal to the *Rate Selected* divided by the *Net Income*.
- c. Enter *Capitalized Value Selected*. This is the *Capitalized Value* determined by the Appraiser.



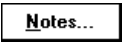
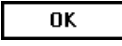
Note: For 223f projects with Project based Section 8, Tax Credits or Tax Exempt Bonds, Net Income is based on Rents at Market Rate and Hypothetical Market Rate Expenses.

4. To determine the *Value of Leased Fee Selected* for projects with Ground Rent (Figure 110 and Figure 111):
 - a. If there is an *Option to Buy*, enter the *Cap Rate*.
 - b. The system will determine the *Calculated Value of Leased Fee* which is equal to:
 - (Annual Ground Rent / Cap Rate) for projects with an Option to Buy.
 - Value As Is for all sites for projects with no Option to Buy.
 - c. Enter the *Value of Leased Fee Selected*. This is the *Value of Leased Fee* determined by the Appraiser.
5. Save your work.
6. Select another tab.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

To add notes:

1. Click , and the **Notes** window displays.
2. Enter your comments.
3. Click  to save your work and return to the Income Approach to Value window.
4. Select another tab.

Alternative Option

From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.10 Comparison Approach to Value (223f only)

The **Comparison Approach to Value** window (Figure 112) provides a way to estimate the value of property for refinance projects only. The procedure requires choosing either the Unit (square footage) or Gross Rent Multiplier (GRM) method to determine value. The evaluation involves comparing the sales price of properties in comparable projects. Upon completing the evaluation, enter the estimated market value in the *Indicated Value by Sales Comparison Approach* field. The reconciliation process uses this value.

Enter at least three comparable projects. You can add and delete comparables and add notes on this window.



Note: *If there are scattered sites in the project, you must first select a property from the **Property List** window (Figure 113), and then the system displays the **Comparison Approach to Value** window. Refer to Section 6.4.10.1, *Property List Window*.*

Development Application Processing

File Edit View Window Help

Project Name: Green Meadow Apts Proj/FHA Number:

Project Address: 17 Beech Tree Way Columbia, MD 20945-

Method to Determine Indicated Value: ☒ Unit ☐ Gross Building Area(GBA)

Indicated Value by Sales Comparison Approach: \$6,725,000

Comparable Project Name	Comparable Project Address	Adjusted Sales Price per Unit
Pine Grove Apts	370 Lane Valley Road Ashton, MD -	\$1,450
Fern Spring Apartments	16 Fern Road Germantown, MD -	(\$4,750)


Notes... Add Comparable ... Delete Comparable

3-22-04 14:55:13


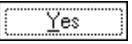
Figure 112. Comparison Approach to Value

To add/edit comparables:

1. From the **Valuation Main Menu** window, select the *Comparison Approach to Value* radio button.
2. Click , and the **Comparison Approach to Value** window displays.

3. Select a *Method to Determine Indicated Value* radio button.
4. Click , and the **Maintain Comparison Approach to Value** window (Figure 114) displays. (See Section 6.4.10.2.)

To delete a comparable:

1. From the **Comparison Approach to Value** window, select the comparable you want to delete.
2. Click .
3. Click  to delete the comparable.
4. Save your work.

6.4.10.1 Property List Window

After selecting the *Comparison Approach to Value* radio button from the **Valuation Main Menu** window, the **Property List** window (Figure 113) displays first when there are scattered sites in a project. Before determining a property's value, the system needs to know which site is involved in the evaluation.

Property Street Address	Property City	Property State
8900 Potomac Avenue	Hagerstown	MD
2300 East Antietam Street	Hagerstown	MD

Figure 113. Property List Window

To select a property record:

1. From the **Property List** window, select the property you want to access.
2. From the **File** menu, select **Open**, and the **Comparison Approach to Value** window (Figure 112) displays.

6.4.10.2 Maintain Comparison Approach to Value

The **Maintain Comparison Approach to Value** window (Figure 114 through Figure 116) displays the name and address of the selected comparable. Two tabs, Gross Rent Multiplier Method and Adjustments Characteristics, also display. You can add notes to explain your reasons for adjusting items for each comparable.

Development Application Processing

File Edit View Tools Window Help

Maintain Comparison Approach to Value

Project Name: Proj/FHA Number:

Project Address:

Comparable 1 of 2

Project Name:

Street:

City: State: Zip Code: -

Gross Rent Multiplier Method Adjustment Characteristics

Item	Subject	Comparable
Proximity to subject		15.2 miles
Sales price	\$875,000	<input type="checkbox"/> Furn. \$1,175,625
Sales price per GBA	\$20.54	\$94.66
Gross annual rent	\$529,200	\$199,100
Gross rent multiplier	1.65	5.90
Sales price per unit	\$19,022	
Sales price per room		
Data source		Appraisal

Add Comparable ...

Delete Comparable

Notes...

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Figure 114. Maintain Comparison Approach to Value Window - Gross Rent Multiplier Method Tab

Figure 115. Maintain Comparison Approach to Value Window - Adjustments Characteristics Tab (1 of 2)

Unit Breakdown	No. of Units	Room count			No. vac	No. of Units	Room count			No. vac
		Tot.	Br.	Ba.			Tot.	Br.	Ba.	
Basement description						None				
Utilities						Tenant Paid				
Heating /cooling						Electric				
Parking on/off site						On Site				
Project amenities						None				
Other										

Figure 116. Maintain Comparison Approach to Value Window - Adjustments Characteristics Tab (2 of 2)

To add/edit comparable information:

1. From the **Valuation Main Menu** window, select the *Comparison Approach to Value* radio button.
2. Click , and **Maintain Comparison Approach to Value** window displays the Gross Rent Multiplier Method tab by default.
3. Enter *Project Name, Street, City, State, and Zip Code*.

4. Enter *Subject* and *Comparable* information:
 - *Proximity to subject*
 - *Sales price*
 - Click the *Furn.* check box to indicate the units are furnished
 - *Gross annual rent*
 - *Sales price per room*
 - *Data source*
5. Select the Adjustment Characteristics tab and enter:
 - *Subject Description*
 - *Comparable Description*
 - *+(-) Adjust*



Note: If using the Unit method, adjustment values must be between 99,999 and -99,999. If using the Gross Building Area (GBA) method, adjustment values must be between 999.99 and -999.99.

6. Click to add comments.
7. Save your work, and the system updates and displays the *Net Adjustment*, *Sales Price Per Unit*, and *Adjusted Sales Price Per Unit*.
8. From the **F**ile menu, select **C**lose, and the **Comparison Approach to Value** window displays a summary of the comparable.

Alternative Option

To add more comparables, click and repeat steps 1-5.

9. Enter the *Indicated Value by Sales Comparison Approach*.
Click and enter your comments. If you based the amount entered in *Indicated Value by Sales Comparison Approach* on the Gross Building Area (GBA), include this information in Notes.
10. Save your work.
11. From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

To delete a comparable:

1. From the **Maintain Comparison Approach to Value** window, click .
2. Click to delete the comparable, and the system returns you to the **Comparison Approach to Value** window.
3. Save your work.
4. From the **F**ile menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.11 Reconciliation

The **Reconciliation** window (Figure 117) displays the capitalization, summation, or comparison dollar amount as well as the replacement cost of the property as of the effective date of the appraisal. The estimated market value or replacement cost of the subject project is based on three types of analysis:

- Capitalization as defined in the “Determine Income Approach to Value” process,
- Summation as defined in the “Estimate Replacement Cost of Rehabilitation Cost” process, and
- Comparison as defined in the “Determine Comparison Approach to Value” process.

For New Construction or Rehabilitation projects, the Reconciliation window is view only.

For Acquisition or Refinance projects, enter the summation value and estimated fair market value or replacement cost of the project as of the effective date of the appraisal. The result of the reconciliation is the Summation Approach.

The screenshot shows the 'Development Application Processing' application with the 'Valuation - Reconciliation' window open. The window contains the following fields and text:

- Project Name:** Green Hills
- Proj/FHA Number:** 05235153
- Project Address:** 55 E. Hollins St. Baltimore, MD 21234-
- Capitalization:** [Empty field]
- Summation:** \$6,836,353
- Comparison:** [Empty field] \$
- Text Box:** The Replacement Cost of the Property, as of the Effective Date of the Appraisal, is :
\$6,836,353

Figure 117. Reconciliation Window (New Construction and Rehabilitation Projects)

To enter fair market value for 223f Refinance and Acquisition projects:

1. From the **Valuation Main Menu** window, select the *Reconciliation* radio button.

2. Click , and the **Reconciliation** window (Figure 118) displays.

Development Application Processing

File Edit View Window Help

Valuation - Reconciliation

Project Name: Proj/FHA Number:

Project Address:

Capitalization : Summation: Comparison :

The Fair Market Value of the Property, as of the Effective Date of the Appraisal, is :

Figure 118. Reconciliation Window for 223f Refinance and Acquisition Projects with no Project Based Section 8, LIHTC or Tax Exempt Bonds

3. Enter the following information:
- *Summation*
 - *Fair Market Value*
4. If your project is a 223f with Project based Section 8, LIHTC or Tax Exempt Bonds, you will see a table below the Fair Market Value line on the Valuation – Reconciliation window (Figure 119) You may use this table to designate which income factors to use with Criterion 3 and 5.
- You may check Project based Section 8 Rent box only if a Project based Section 8 rent schedule exists for this project. DAP will check this box under Criterion 5, by default, if a Project based Section 8 Rent Schedule exists.
 - You may check LIHTC Rent box only if a Restricted Rent Schedule exists for this project. DAP will check this box under Criterion 5, by default, if a Restricted Rent Schedule exists.
 - You may check Market Rent for Criterion 3 or 5. DAP will default to a check in Market Rent for Criterion 3.

- You cannot change the Hypothetical Market Rate Expense under Criterion 3, nor the Actual Expense under Criterion 5
5. Save your work.
 6. From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

Development Application Processing

File Edit View Window Help

Valuation - Reconciliation

Project Name: Green Meadow Apts Proj/FHA Number:

Project Address: 17 Beech Tree Way Columbia, MD 20945-

Capitalization : \$9,742,500 Summation: \$6,257,500 Comparison : \$6,725,000

The Fair Market Value of the Property, as of the Effective Date of the Appraisal, is :
\$6,257,500

	For Criterion 3 Use	For Criterion 5 Use
Market Rent	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Section 8 Rent	<input type="checkbox"/>	<input type="checkbox"/>
LIHTC Rent	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hypothetical Market Rent Expenses	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Actual Expenses	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Figure 119: Reconciliation Window for 223f Refinance and Acquisition Projects with Project Based Section 8, LIHTC or Tax Exempt Bonds

6.4.12 Appraiser Certification

The **Appraiser Certification** window (Figure 120) displays appraiser and HUD review appraiser information. The HUD review appraiser must also indicate whether the subject property was inspected.

Figure 120. Appraiser Certification Window

To enter appraiser information:

1. From the **Valuation Main Menu** window, select the *Appraiser Certification* radio button.
2. Click , and the **Appraiser Certification** window (Figure 120) displays.
3. Enter Appraiser and Review Appraiser data:
 - *Name*
 - *Date*
 - *State Certification Number*
 - *State of Certification*
4. The Review Appraiser selects the radio button to indicate that he/she did or did not inspect the subject property.
5. Save your work.
6. From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.4.13 Assignment Tab

The Assignment tab (Figure 121) contains basic information about the Valuation assignment you are processing. Upon completion of the assignment, return to this tab and enter the *Date Assgmt Closed* to close the assignment.

You can make and save changes to the Valuation assignment before entering and saving the date you completed the assignment. If any required data is missing, a list displays showing the location and type of data needed. After the *Date Assgmt Closed* is accepted, you cannot edit the data in the Valuation assignment. To change or update the assignment after the *Date Assgmt Closed* is accepted, a new assignment must be created in the Tracking subsystem. You may do so if you have the proper rights. This is a Self Assignment. See Chapter 3, entering and Tracking an Application, Section 3.10.2 for more information about creating a self-assignment. Information can be copied from another assignment to eliminate re-entering data (see Section 6.3.2.3).

To enter Assignment notes:

1. From the **Valuation Main Menu** window (Figure 121), select the Assignment tab.

Valuation Main Menu

Project Name: Proj/FHA Number:

Project Address:

General **Assignment** A&E Assignment Cost Analysis Remarks

Reason: Discipline:

Field Office: Version #:

Notes...

Dates

Assigned: Start:

Target: Date Assgmt Closed:

Responsible Staff Member

Staff Name: Official: ☐

Figure 121. Valuation Main Menu Window - Assignment Tab

2. Click , and the **Notes** window (Figure 122) displays.



Figure 122. Assignment Tab - Notes Window

3. Enter your comments.
4. Click to close the window and save your work.

To enter assignment closed date:

Refer to Section 6.5 for information and the procedure for closing an assignment.

6.4.14 Remarks Tab

The Remarks tab (Figure 123) on the **Valuation Main Menu** window enables you to add notes and special conditions. It also displays in view mode miscellaneous information such as actual occupancy, estimate of time required to reach sustaining occupancy, initial deposit to the replacement reserve, replacement cost (new), estimated legal fee, estimated organization fee, appraisal fee, Phase I fee, estimated inspection fee, etc.

Valuation Main Menu

Project Name: Proj/FHA Number:
Project Address:

General | Assignment | A&E Assignment | Cost Analysis | **Remarks**

Actual Occupancy Percentage: %
Actual Occupied Units:
Actual Occupancy Percentage as of:
Estimate of Time Required to Reach Sustaining Occupancy (in months):
Initial Deposit to the Replacement Reserve:
Total Required Repairs:
Estimated Title and Recording Fee:
Estimated Legal Fee:
Estimated Organization Fee:
Appraisal Fee:
Phase I Fee:

Figure 123. Valuation Main Menu - Remarks Tab for 221(d)(4) Project

To enter notes and special conditions data:

1. From the **Valuation Main Menu** window, select the Remarks tab.
2. Click , and the **Notes** window displays.
3. Enter your comments.
4. Click to save your notes and return to the Remarks tab.
5. Click , and the **Notes** window displays.
6. Click to save your notes and return to the Remarks tab.

To enter remarks data for 223(f) program type:

1. From the **Valuation Main Menu** window (Figure 124), select the Remarks tab.

Valuation Main Menu

Project Name: Proj/FHA Number:

Project Address:

General | Assignment | A&E Assignment | Cost Analysis | **Remarks**

Actual Occupancy Percentage: <input type="text" value="93.33"/> %	Estimated Title and Recording Fee: <input type="text" value="\$11,850"/>
Actual Occupied Units: <input type="text" value="42"/>	Estimated Legal Fee: <input type="text" value="\$10,000"/>
Actual Occupancy Percentage as of: <input type="text" value="12/31/2003"/>	Estimated Organization Fee: <input type="text" value="\$10,000"/>
Estimate of Time Required to Reach Sustaining Occupancy (in months): <input type="text" value="5"/>	Appraisal Fee: <input type="text" value="\$5,500"/>
Initial Deposit to the Replacement Reserve: <input type="text" value="\$84,000"/>	Phase I Fee: <input type="text" value="\$0"/>
Total Required Repairs: <input type="text" value="\$1,066,375"/>	

Figure 124. Valuation Main Menu - Remarks Tab for 223(f) Project

2. Enter the following information:
 - *Actual Occupancy Percentage*
 - *Actual Occupied Units*
 - *Actual Occupancy Percentage as of* (MM/DD/YYYY)
 - *Estimate of Time Required to Reach Sustaining Occupancy (in months)*
 - *Estimated Title and Recording Fee*
 - *Estimated Legal Fee*
 - *Estimated Organization Fee*
 - *Appraisal Fee*
 - *Phase I Fee*
3. Enter any *Notes* and *Special Conditions*.
4. Save your work.
5. From the **File** menu, select **C**lose, and the **Valuation Main Menu** window displays.

6.5 Closing the Assignment

After finishing the valuation appraisal, select the Assignment tab (Figure 125) to close the assignment. If any required data is missing, a list displays showing the location and type of data needed. (For a list of the validation errors and ways to resolve them, see Appendix E of the DAP User Guide.) You cannot change the data after closing the assignment. Close an assignment when the Valuation analysis is finished or when an administrative close is necessary. All data in the Valuation assignment becomes view only when the assignment is closed. If you need to add or change information in a closed assignment, request the Tracking Rep make a new assignment or, if you have the rights, create your own new version of the closed assignment. (This is a “self-assignment.” For more information about creating a self-assignment see Chapter 3, Entering and Tracking an Application, Section 3.10.2.)

Valuation Main Menu

Project Name: Proj/FHA Number:
 Project Address:

General **Assignment** A&E Assignment Cost Analysis Remarks

Reason: Discipline:
 Field Office: Version #:
 Notes...

Dates
 Assigned: Start:
 Target: Date Assgmt Closed:

Responsible Staff Member
 Staff Name: Official: ☐

Figure 125. Valuation Main Menu - Assignment Tab

To enter a complete date:

1. From the **Valuation Main Menu** window, select the Assignment tab.
2. Enter the date you completed the assignment in *Date Assgmt Closed*.
3. Save your work, and the system performs a validation check.

If all required data has been entered and the complete date is accepted by the system, the Valuation assignment is closed. If additional data is required, the **Validation Completion**

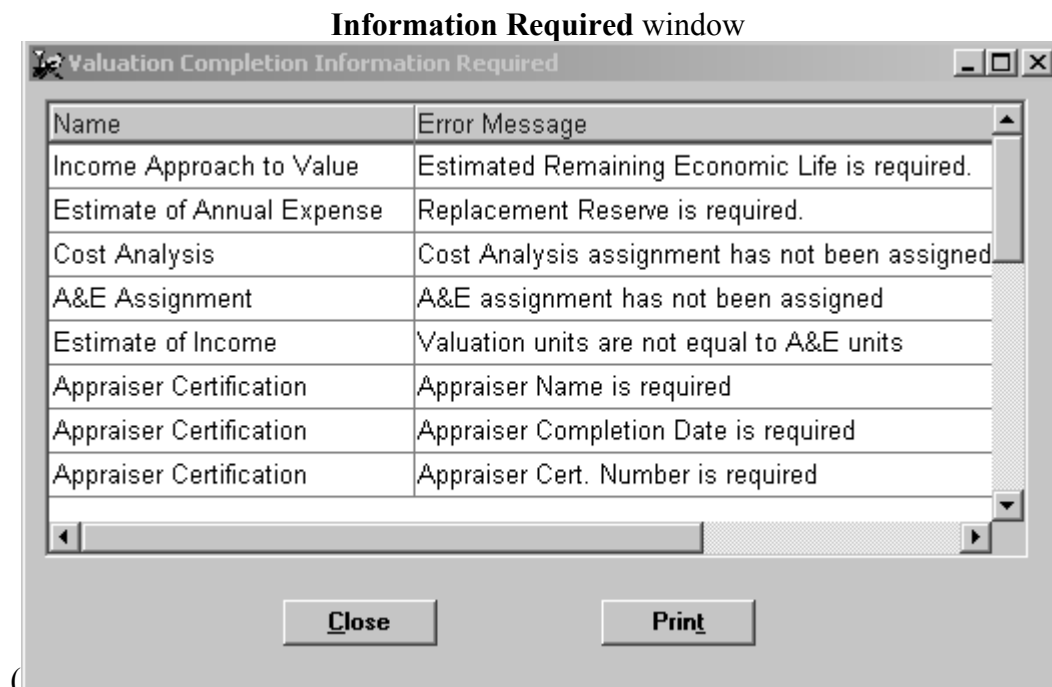


Figure 126) displays a list of errors. All errors must be resolved before closing an assignment.

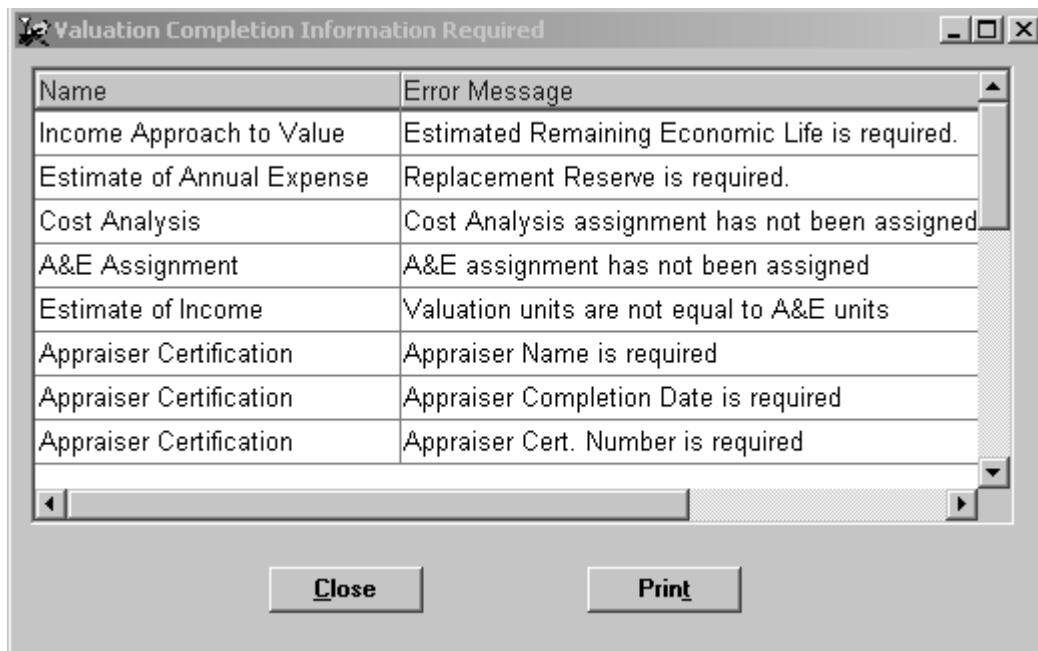


Figure 126. Valuation Completion Information Required Window



Note: *After you enter the Date Assgmt Closed and save your work, the system will not allow you to change any of the data, including your notes. You will only be able to view the information.*

6.6 Valuation Informational and Warning Messages

When opening a Valuation assignment, the system prompts you with different messages.

6.6.1 Newly Opened A&E and/or Cost Assignments

If the A&E Analyst and/or Cost Analyst create new assignments, the information message shown in Figure 127 displays informing you that a new version is open. Once the A&E Analyst completes his/her work, you can link to the new assignment. You may link to the new Cost Analyst assignment at any time.

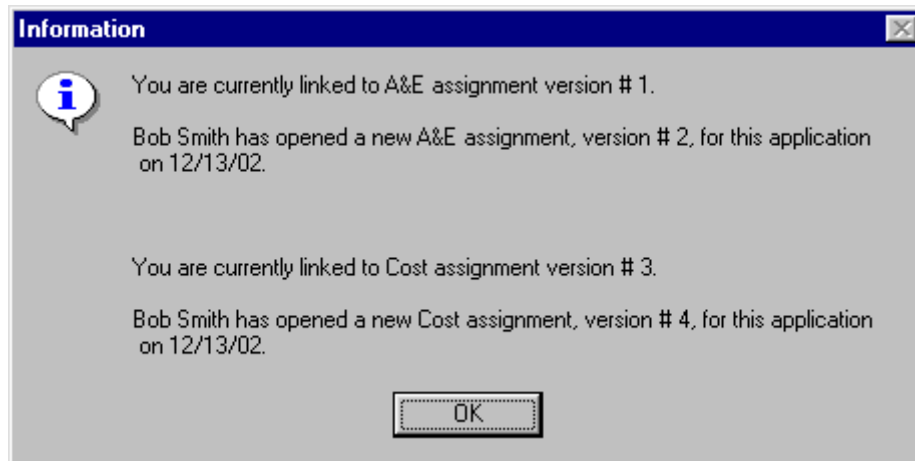


Figure 127. Newly Created A&E and/or Cost Assignments

To link to an A&E Assignment:

See Section 6.3.2.1 *A&E Assignment Tab: Linking to the Valuation Assignment* for instructions on how to link to an A&E Assignment

To link to a Cost Assignment:

See Section 6.3.2.2 *Cost Analysis Tab: Linking to the Valuation Assignment* for instructions on how to link to a Cost Assignment.

6.6.2 Valuation Assignment Not Linked to the Latest Closed A&E and/or Cost Assignment

The system displays the information message shown in Figure 128 if you are not linked to the latest A&E and/or Cost Assignment.

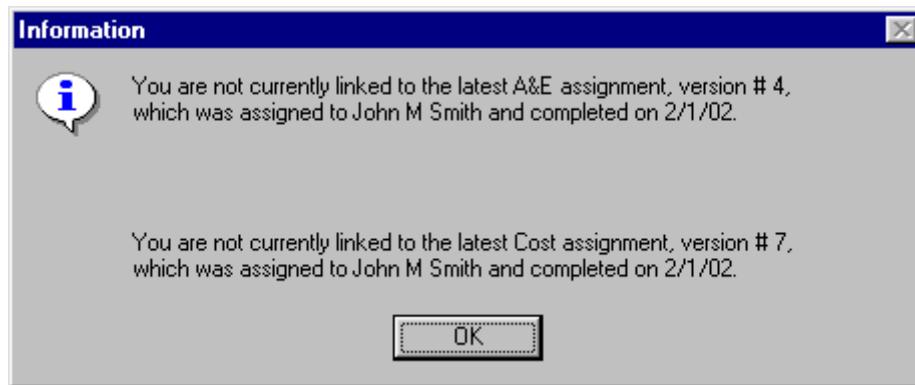


Figure 128. A&E and Cost Linking Information Message

To link to an A&E Assignment:

See Section 6.3.2.1 *A&E Assignment Tab: Linking to the Valuation Assignment* for instructions on how to link to an A&E Assignment.

To link to a Cost Assignment:

See Section 6.3.2.2 *Cost Analysis Tab: Linking to the Valuation Assignment* for instructions on how to link to a Cost Assignment.

6.6.3 A&E and Cost Assignments Do Not Match

The system displays the information message shown in Figure 128 if the A&E analysis linked to Valuation and Cost assignment do not match.



Figure 129. Validation Warning - A&E Analyses Does Not Match Valuation and Cost

To link to an A&E Assignment:

See Section 6.3.2.1 *A&E Assignment Tab: Linking to the Valuation Assignment* for instructions on how to link to an A&E Assignment.

To link to a Cost Assignment:

See Section 6.3.2.2 *Cost Analysis Tab: Linking to the Valuation Assignment* for instructions on how to link to a Cost Assignment.

6.6.4 Published MIP %s and Current Assignment MIP %s are different

The MIP Administrator sets the Published Permanent MIP percent and Annual FHA MIP percent.

The system checks for the following conditions:

- the *Permanent MIP %* for the current Valuation assignment matches the *Published Permanent MIP %* for the project's program type
- the *Annual FHA MIP %* for the current Valuation assignment matches the *Published Annual FHA MIP %* for the project's program type
- the Administration has set the *Overwrite* option for the *Permanent MIP %*
- the Administration has set the *Overwrite* option for the *Annual FHA MIP %*.

Below are examples of the warning message you may receive if the system finds discrepancies:

If the *Permanent MIP %* for the current Valuation Assignment is different than the *Published Permanent MIP %* set by the Administrator, the following MIP Percent **Validation – Warning** (Figure 130) message displays.

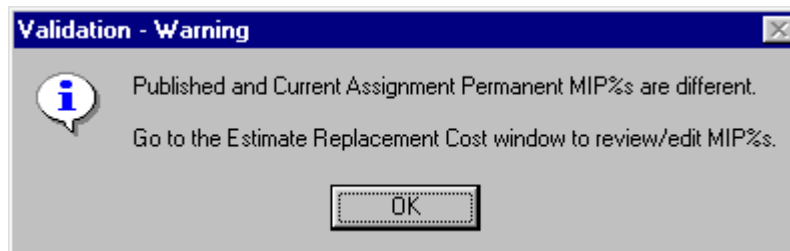


Figure 130. MIP Percent Validation Warning

If the *Permanent and Annual FHA MIP %s* for the current Valuation Assignment are different than the *Published MIP %s* set by the Administrator, the following MIP Percent **Validation – Warning** (Figure 131) message displays.

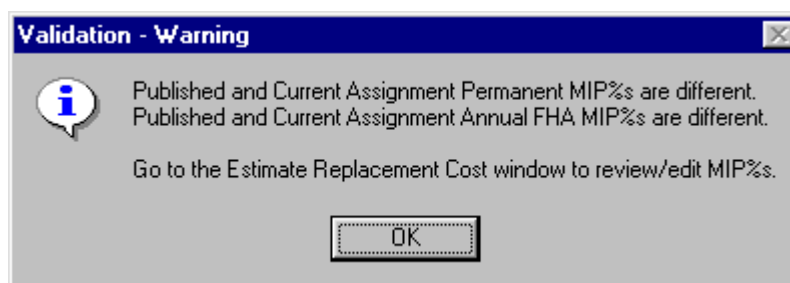


Figure 131. MIP Percent Validation Warning

If the *Permanent and/or Annual FHA MIP %s* for the current Valuation Assignment are different than the *Published MIP %s* and the Administrator has set the *Override* indicator for the *Published Annual FHA MIP %*, the following MIP Percent **Validation – Warning** (Figure 132) message displays.

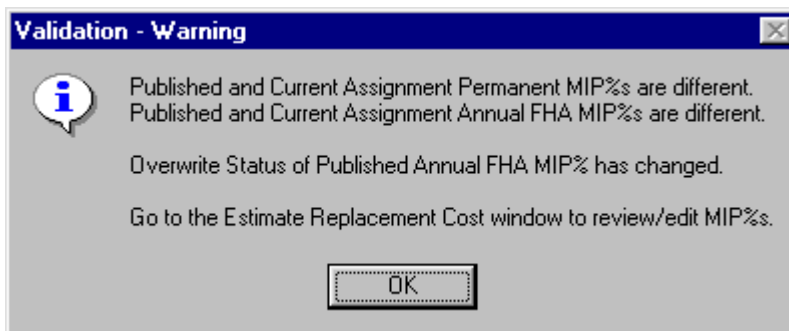


Figure 132. MIP Percent Valuation Warning

If the Administrator set the *Override* indicator for the *Published Permanent MIP %* and *Published Annual FHA MIP %*, the following MIP Percent **Validation – Warning** (Figure 133) message displays.

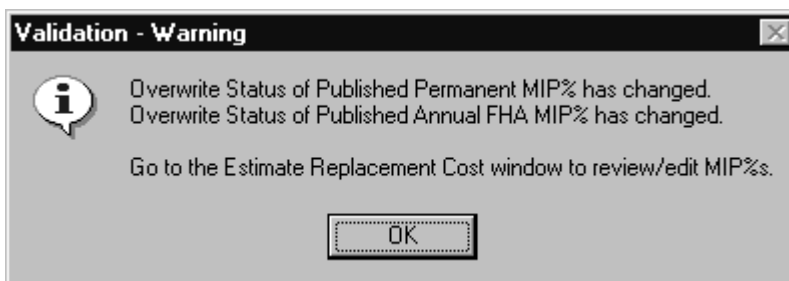


Figure 133. MIP Percent Validation Warning with Override Status Enabled

To change the Permanent MIP %:

See Section 6.4.6.2.2: *Changing Permanent MIP Percent* for the procedure.

To change the Annual FHA MIP %:

See Section 6.4.6.2.3: *Changing Annual FHA MIP Percent* for the procedure.

6.6.5 LIHTC, Tax Exempt Bonds and/or Project Based Section 8 mismatch with Tracking

The system displays the warning message shown in Figure 134 if there is an inconsistency between Tracking and the Estimate of Income.

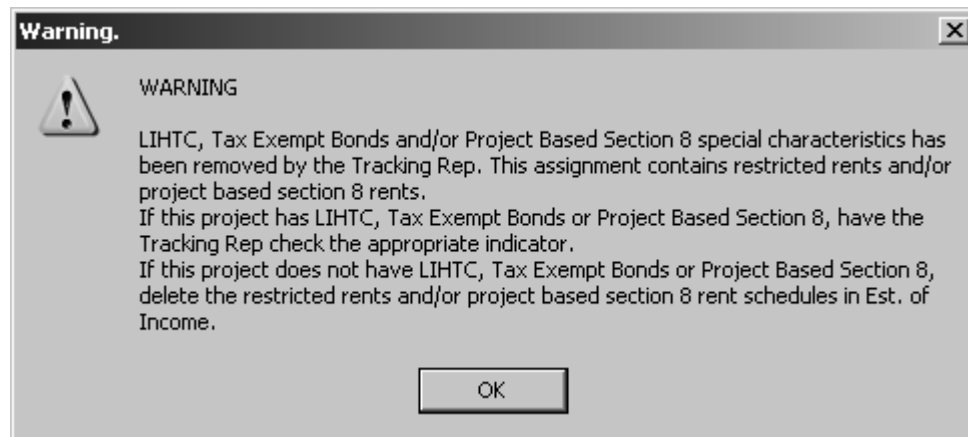


Figure 134. Restricted Rents and/or Project Based Section 8 Rents exist but Tracking indicates no LIHTC, Tax Exempt Bonds and/or Project Based Section 8

To set a Special Characteristic indicator in Tracking:

See Chapter 3 *Section 3.4* [Updating Application Data](#) for the procedure.

To edit/delete rent schedules:

See *Section 6.4.2.1 Rental Income* for the procedure.

The system displays the warning message shown in Figure 135 if there is an inconsistency between Tracking and the Estimate of Expenses.

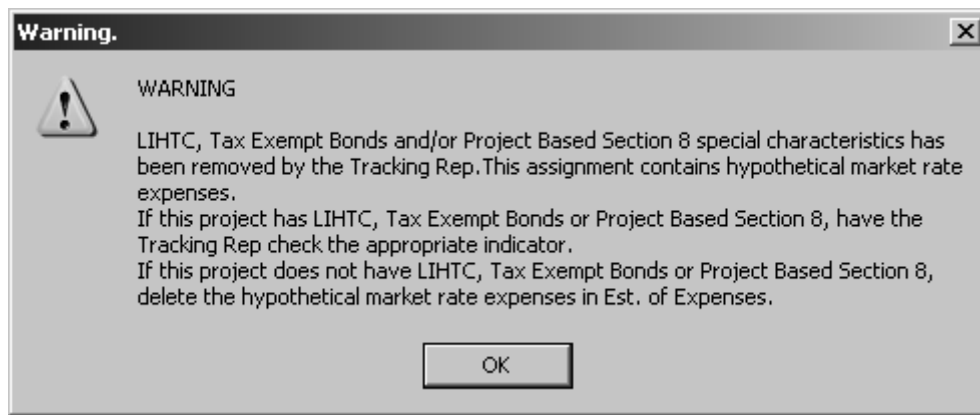


Figure 135. Hypothetical Market Expenses exist but Tracking indicates no LIHTC, Tax Exempt Bonds and/or Project Based Section 8 (223f)

To set a Special Characteristic indicator in Tracking:

See Chapter 3 *Section 3.4* [Updating Application Data](#) for the procedure.

To delete hypothetical market rate expenses:

See Section 6.4.4.2 *Hypothetical Market Rate Expense* for the procedure.

6.7 Navigating Report Windows

After selecting a report, the **Print Preview** window (Figure 136) gives you the flexibility to view specific pages and/or to print the report. This section describes the **Print Preview** window components, and how to zoom and change the setup of your printer.

Figure 136. Print Preview Window

Report Command Buttons

Table 5 describes the report command buttons that you can use after generating a report.

Table 5. Description of Report Command Buttons

Report Command Buttons	Description
	Jump to the first page of the report.
	Navigate through the report one page at a time either forward or backward.
	Jump to the last page of the report.
	Displays the Zoom window where you can enlarge or reduce the size of the report you generated (for detailed steps, see Section 6.7.1).
	Print the report on your default printer.
	Change your default printer's parameters and options (for detailed steps, see Section 6.7.2).
	Save the report to your computer or diskette.
	Close the Print Preview window.

6.7.1 Using the Zoom Option

The **Zoom** option (Figure 137) allows you to change the way the report displays on your computer monitor. You can enlarge the report to view a specific area of the report, or reduce the report to view a wider area of the report. You also can use the horizontal and vertical bars to view covered portions of the report.

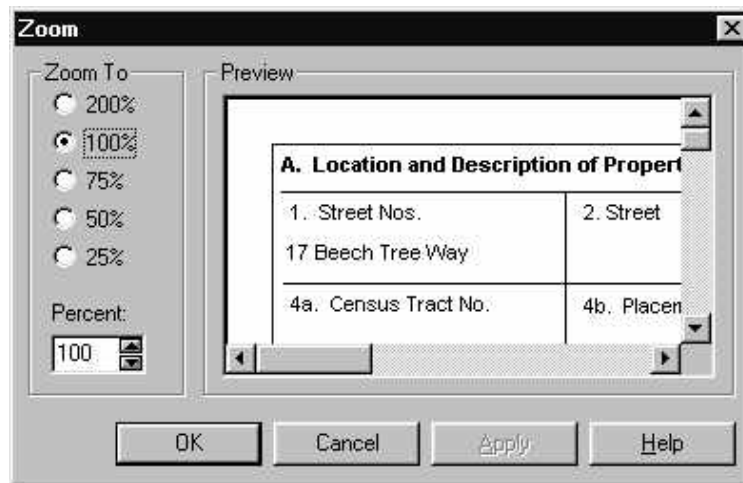


Figure 137. Zoom Window

To reduce or enlarge a report:

1. On the **Print Preview** window click **ZOOM...**, and the **Zoom** window displays.
2. Select the radio button to enlarge or reduce the viewing size of the report.
3. Click **OK**. The **Zoom** window closes and the **Print Preview** window displays the enlarged/reduced report.

6.7.2 Using the Printer Setup Option

Use the **Printer Setup** window (Figure 138) to change your printer's properties and options.

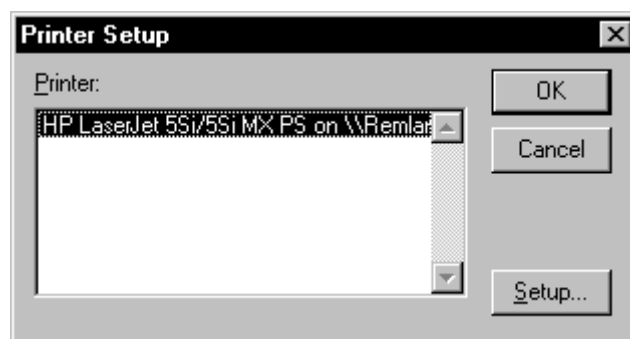


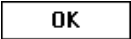
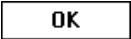


Figure 138. Printer Setup Window

To change your printer's setup:

1. Click  on the **Print Preview** window. The **Printer Setup** window displays the name of the printer(s) to which you are connected. The default printer is highlighted.
2. Click  and the **Printer Properties** window displays. The printer's properties vary with manufacturers.
3. Change the printer settings to meet your needs.
4. Click  and the **Printer Properties** window closes.
5. Click  and the **Print Preview** window displays.

6.8 Valuation Reports

Users access the Valuation reports through the **Valuation Main Menu** window. The information in these reports is based on cumulative data that has been entered and analyzed in DAP. You can view, print, or save reports. The Valuation reports are listed below:

HUD-92264	Multifamily Summary Appraisal Report
HUD-92264 A	Location and Description of Property
HUD-92264 B	Additional Information Concerning Land or Property
HUD-92264 C	Estimate of Income
HUD-92264 D	Amenities and Services Included in Rent
HUD-92264 E	Estimate of Annual Expense
HUD-92264 F	Income Computation
HUD-92264 G	Estimated Replacement Cost
HUD-92264 H	Remarks
HUD-92264 I	Estimate of Operating Deficit
HUD-92264 J	Project Site Analysis and Appraisal
HUD-92264 K	Income Approach to Value
HUD-92264 L	Comparison Approach to Value
HUD-92264 M	To Be Completed by Construction Cost Analyst
HUD-92264 N	Signatures and Appraisers Certification
HUD-92264 O	Remarks and Conclusions
HUD-92264 O	Valuation Remarks Only
HUD-92264-A	Supplement to Project Analysis (Trial)
HUD-92264	Multifamily Summary Appraisal Report (Market Value)
HUD-92264-T	Rent Estimates for Low/Moderate Income Units

To display the list of Valuation reports:

1. From the **Valuation Main Menu** window, select the **V**iew menu.
2. Select **Valuation R**eports, and the **Valuation Reports** window (Figure 139) displays.

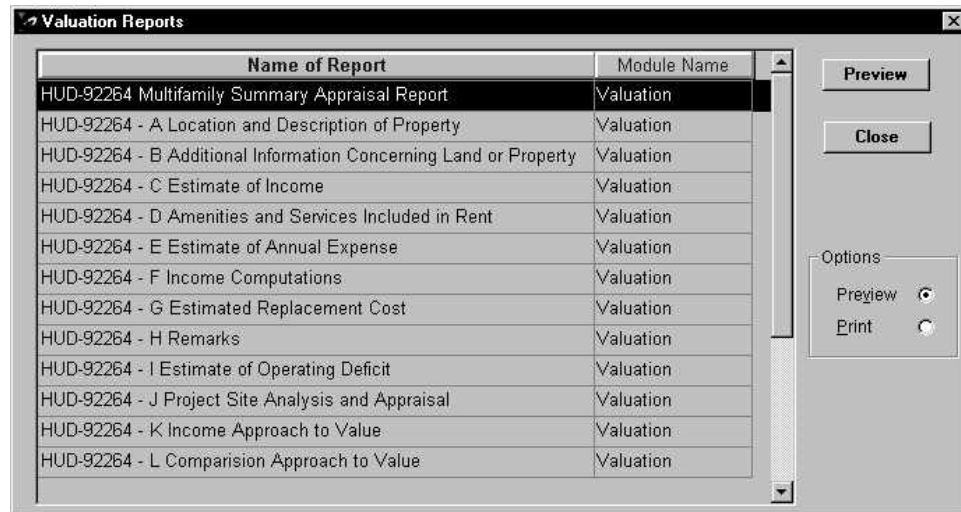



Figure 139. Valuation Report Window

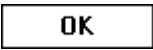
To print a report:

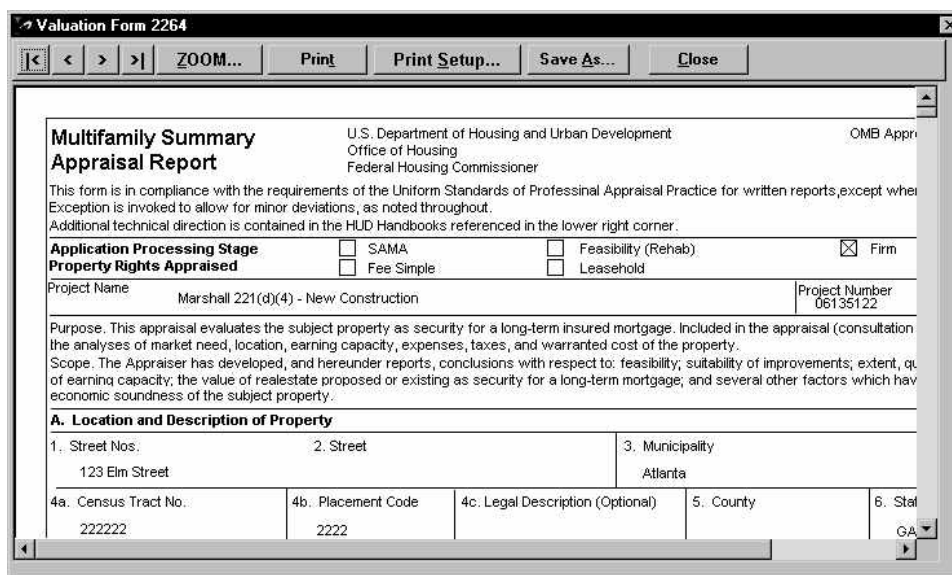
1. From the **Valuation Reports** window, select the report.
2. Select the **P**rint radio button.
3. Click  to create the report and send it to your local printer.

6.8.1 HUD 92264 - Multifamily Summary Appraisal Report

HUD-92264 provides the entire summary report for the valuation project. It also includes the assignment version numbers used to produce the form. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports** window, and the **Valuation Reports** window displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click , and the report (Figure 140) displays.



Valuation Form 2264

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Appri

This form is in compliance with the requirements of the Uniform Standards of Professional Appraisal Practice for written reports, except where Exception is invoked to allow for minor deviations, as noted throughout.
Additional technical direction is contained in the HUD Handbooks referenced in the lower right corner.

Application Processing Stage ☐ SAMA ☐ Feasibility (Rehab) ☒ Firm
Property Rights Appraised ☐ Fee Simple ☐ Leasehold

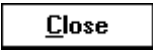
Project Name: Marshall 221(d)(4) - New Construction Project Number: 06135122

Purpose. This appraisal evaluates the subject property as security for a long-term insured mortgage. Included in the appraisal (consultation the analyses of market need, location, earning capacity, expenses, taxes, and warranted cost of the property.
Scope. The Appraiser has developed, and hereunder reports, conclusions with respect to: feasibility; suitability of improvements; extent, of earning capacity; the value of real estate proposed or existing as security for a long-term mortgage; and several other factors which have economic soundness of the subject property.

A. Location and Description of Property

1. Street Nos. 123 Elm Street	2. Street 2222	3. Municipality Atlanta
4a. Census Tract No. 222222	4b. Placement Code 2222	4c. Legal Description (Optional)
5. County	6. State GA	

Figure 140. HUD-92264 - Multifamily Summary Appraisal Report

6. Use the command buttons to view or print the report.
7. Click  to close the report.

6.8.2 HUD-92264 A - Location and Description of Property

HUD-92264 Section A provides the location and description of property in the project. It includes building, site, neighborhood, and recreational facilities information. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click and HUD-92264, Section A (Figure 141) displays.

Print Preview

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

Multifamily Summary Appraisal Report

This form is in compliance with the requirements of the Uniform Standards of Professional Appraisal Practice for written reports, except where Exception is invoked to allow for minor deviations, as noted throughout.
Additional technical direction is contained in the HUD Handbooks referenced in the lower right corner.

Application Processing Stage
☐ SAMA
☐ Fee Simple
☐ Feasibility (Rehab)
☐ Leasehold
☒ Firm

Property Rights Appraised

Project Name: Marshall 221(d)(4) - New Construction
Project Number: 06135122

Purpose. This appraisal evaluates the subject property as security for a long-term insured mortgage. Included in the appraisal (consultation) are the analyses of market need, location, earning capacity, expenses, taxes, and warranted cost of the property.

Scope. The Appraiser has developed, and hereunder reports, conclusions with respect to: feasibility; suitability of improvements; extent, quality of earning capacity; the value of real estate proposed or existing as security for a long-term mortgage; and several other factors which have economic soundness of the subject property.

A. Location and Description of Property

1. Street Nos. 123 Elm Street	2. Street Atlanta	3. Municipality Atlanta
4a. Census Tract No. 222222	4b. Placement Code 2222	4c. Legal Description (Optional)
5. County	6. State GA	

Figure 141. HUD-92264 A

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.3 HUD-92264 B - Additional Information Concerning Land or Property

HUD- 92264 Section B provides additional information concerning the land or property. It includes neighborhood and site information. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click and HUD-92264, Section B (Figure 142) displays.

B. Additional Information Concerning Land or Property

19. Date Acquired	20. Purchase Price \$	21. Additional Costs Paid or Accrued \$	22. If Leasehold, Annual Ground Rent \$	23a. Total Cost \$	23b. C E \$
24a Relationship (Business, Personal, or Other) Between Seller and Buyer		24b. Has the Subject Property been sold in the past 3 years? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Ye			
25 Utilities		26. Unusual Site Features			
Public	Community	Distance from Site			
Water <input checked="" type="checkbox"/>	<input type="checkbox"/>	5	<input type="checkbox"/> Cuts	<input type="checkbox"/> Fills	<input type="checkbox"/> Rock Formations
Sewers <input checked="" type="checkbox"/>	<input type="checkbox"/>	5	<input type="checkbox"/> High Water Table	<input checked="" type="checkbox"/> Retaining Walls	<input checked="" type="checkbox"/> Erosion
			<input type="checkbox"/> Other (Specify)	<input checked="" type="checkbox"/> Off Site Improvement	<input type="checkbox"/> Poor Dr

Figure 142. HUD-92264 B

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.4 HUD-92264 C - Estimate of Income

HUD-92264 Section C provides the estimate of income that will be generated from the property. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select report.
4. Select the **Preview** radio button.
5. Click **OK** and HUD-92264, Section C (Figure 143) displays.

Print Preview

Navigation buttons: [Back] [Forward] [Zoom...] [Print] [Print Setup...] [Save As...] [Close]

C. Estimate of Income (Attach forms HUD-92273, 92264-T, as applicable)

27. No. of Each Family Type Unit	Rentable Living Area (Sq. Ft.)	Composition of Units	Unit Rent per Mo. (\$)	Total Monthly Rent For Unit Type (\$)
(a) 15 of 1 BR MR	945	1 KT, 1 LD, 1 FB	950	14,250
(b) 5 of 2 BR MR	1,208	1 KT, 1 LD, 1 FB, 1 HB	1,015	5,075
(c) 5 of 3 BR MR	1,627	1 KT, 1 LD, 1 FB, 1 HB, 1 FY, 1 BL	1,150	5,750
(d) 5 of 2 BR MR	1,208	1 KT, 1 LD, 1 FB, 1 HB	875	4,375
(e) 5 of 3 BR MR	1,627	1 KT, 1 LD, 1 FB, 1 HB, 1 FY, 1 BL	550	2,750
(f) 6 of 1 BR MR	945	1 KT, 1 LD, 1 FB	625	3,750
28. Total Estimated Rentals for All Family Units				\$ 35,950

29. Number of Parking Spaces: ☐ Attended, ☐ Self Park

Offstreet Parking and Other Non-Commercial Ancillary Income (Not Included in Unit Rent)

Open Spaces _____ @ \$ _____ per month = \$ _____

Covered Spaces _____ @ \$ _____ per month = \$ _____

Laundry _____ Sq. Ft. @ \$ _____ per month = \$ _____

Other Garage 40 each @ \$ 150.00 per month = \$ 6,000

Other _____ per month = \$ _____

Total Spaces _____

Total Monthly Ancillary Income \$ 6,000

30. Commercial Income (Attach Documentation)

Area-Ground Level _____ sq. ft. @ \$ _____ per sq. ft./month = \$ _____

Other Levels _____ sq. ft. @ \$ _____ per sq. ft./month = \$ _____

Total Monthly Commercial Income \$ _____

31. Total Estimated Monthly Gross Income at 100 Percent Occupancy \$ 41,950

Figure 143. HUD-92264 C

6. Use the command buttons to view or print the report.
7. Click **Close** to close the report.

6.8.5 HUD-92264 D - Amenities and Services Included in Rent

HUD-92264 Section D provides information about the amenities and services included in the rent. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click and HUD-92264, Section D (Figure 144) displays.

D. Amenities and Services Included in Rent (Check and circle appropriate items; fill-in number where indicated)

37a. Unit Amenities

☒ Ranges (Gas or Elec.) ☒ Disposal/Compactor

☒ Refrig. (Gas or Elec.) ☒ Air Conditioning (central or window)

☒ Micro Wave ☐ Dishwasher

☒ Carpet ☒ Window treatment (blinds, drapes, shades)

☒ Balcony/Patio ☒ Fireplace(s) No. 8

☒ Laundry hookups (in units)

☒ Upper level vaulted ceiling/Skylight(s) No. 4

☒ Wash/Dryer (in units) ☐ Security System(s) (Describe)

☐ Other (Specify)

37b. Project Amenities

☒ Guest room(s) No. 1 ☒ Community room(s)

☐ Sauna/Steam room(s) No. ☒ Swimming Pool(s)

☒ Exercise room(s) No. 3 ☐ Racquetball court

☒ Tennis Court(s) No. 1 ☒ Picnic/Play area(s)

☒ Laundry Facilities (coin)

☒ Project Security System(s) (Describe)

☒ Jacuzzies/Community Whirlpools(s) No. 2

☐ Other (specify)

37c. Unit Rating Good ☐ Aver. ☐ Fair ☐ Poor ☐

37d. Project Rating Good ☐ Aver. ☐

Figure 144. HUD-92264 D

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.6 HUD-92264 E - Estimate of Annual Expense

HUD-92264 Section E provides the estimate cost of annual expenses for the. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click and HUD-92264, Section E (Figure 145) displays.

E. Estimate of Annual Expense	
Administrative	
1. Advertising	\$ 0
2. Management	\$ 0
3. Other	\$ 0
4. Total Administrative	\$ 0
Operating	
5. Elevator Main Exp.	\$ 0
6. Fuel (Heating and Domestic Hot Water)	\$ 0
7. Lighting & Misc. Power	\$ 0
8. Water	\$ 0
9. Gas	\$ 0
10. Garbage & Trash Removal	\$ 0
11. Payroll	\$ 0
12. Other	\$ 0
13. Total Operating	\$ 0
Maintenance	
14. Decorating	\$ 0
15. Repairs	\$ 0
16. Exterminating	\$ 0
17. Insurance	\$ 0
18. Ground Expenses	\$ 0
19. Other	\$ 0
20. Total Maintenance	
21. Replacement Reserve (0.006 x total structures Line G4 or (0.004 x MTG for Rehab)	
22. Total Operating Expense	
Taxes	
23. Real Estate: Est. Assessed Value	\$ 0
at \$ 0 per \$1000	
24. Personal Prop. Est. Assessed Value	\$ 0
at \$ 0 per \$1000	
25. Empl. Payroll Tax	
26. Other	

Figure 145. HUD-92264 E

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.7 HUD-92264 F - Income Computations

HUD-92264 Section F provides income computations for the project. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click and HUD-92264, Section F (Figure 146) displays.

F. INCOME COMPUTATIONS	
30a. Estimated Residential Project Income (Line C28 x 12)	\$ 1,200,000
b. Estimated Ancillary Project Income (Line C29 x 12)	\$ 0
c. Residential and Ancillary Occupancy Percentage *	93.00 %
d. Effective Gross Residential and Ancillary Income (Line 30c x (Line 30a. plus Line 30b.))	\$ 1,116,000
e. Total Residential and Ancillary Project Expenses (Line E29)	\$ 16,253
31. Net Residential and Ancillary Income to Project (Line 30d. minus Line 30e.)	\$ 1,099,747
32a. Estimated Commercial Income (Line C30 x 12)	\$ 0
b. Commercial Occupancy * (80% Maximum) (See Instructions)	0.00 %
c. Effective Gross Commercial Income (Line 32a. x Line 32b.)	\$ 0
d. Total Commercial Project Expenses (From Attached Analysis)	\$ 0
33. Net Commercial Income to Project (Line 32c. minus Line 32d.)	\$ 0
34. Total Project Net Income (Line 31 plus Line 33)	\$ 1,099,747
35a. Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d.)	1.46
35b. Commercial Expense Ratio (Line 32d. divided by 32c.)	0.00

* Vacancy and collection loss rates and corresponding residential and commercial occupancy percentage are analyzed through market data, but subject by Jurisdiction Exception to overall HUD underwriting mandates.

Figure 146. HUD-92264 F

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.8 HUD-92264 G - Estimated Replacement Cost

HUD-92264 Section G provides the estimate of replacement cost for the property in the project. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click and HUD-92264, Section G (Figure 147) displays.

G. Estimated Replacement Cost	
36a. Unusual Land Improvements	\$ _____
b. Other Land Improvements	\$ _____
c. Total Land Improvements	\$ _____
Structures	
37. Main Buildings	\$ 4,353
38. Accessory Buildings	\$ _____
39. Garages	\$ _____
40. All Other Buildings	\$ _____
41. Total Structures	\$ 4,353
42. General Requirements	\$ _____
Fees	
43. Builder's Gen. Overhead at _____ %	\$ _____
44. Builder's Profit at _____ %	\$ _____
45. Arch. Fee-Design at _____ %	\$ _____
46. Arch. Fee-Supvr. at _____ %	\$ _____
47. Bond Premium	\$ _____
48. Other Fees	\$ _____
49. Total Fees	\$ _____
Carrying Charges & Financing	
53. Interest: _____ Mos. at _____ %	on \$ _____ \$ _____
54. Taxes	\$ _____
55. Insurance	\$ _____
56. FHA Mtg. Ins. Prem (_____ %)	\$ _____
57. FHA Exam. Fee (_____ %)	\$ _____
58. FHA Inspec. Fee (_____ %)	\$ _____
59. Financing Fee (_____ %)	\$ _____
60. AMPO (N.P. Only) (_____ %)	\$ _____
61. FNMA/GNMA Fee (_____ %)	\$ _____
62. Title & Recording	\$ _____
63. Total Carrying Charges and Financing	\$ _____
Legal, Organization & Audit Fee	
64. Legal	\$ _____
65. Organization	\$ _____
66. Cost Certification Audit Fee	\$ _____
67. Total Legal, Organization & Audit Fees (64+65+66)	\$ _____

Figure 147. HUD-92264 G

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.9 HUD-92264 H - Remarks

HUD-92264 Section H displays any remarks that were entered for the project. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **V**iew menu.
2. Select **Valuation R**eports, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **P**review radio button.
5. Click and HUD-92264, Section G displays H (Figure 148). Scroll down to Section H to display the remarks.

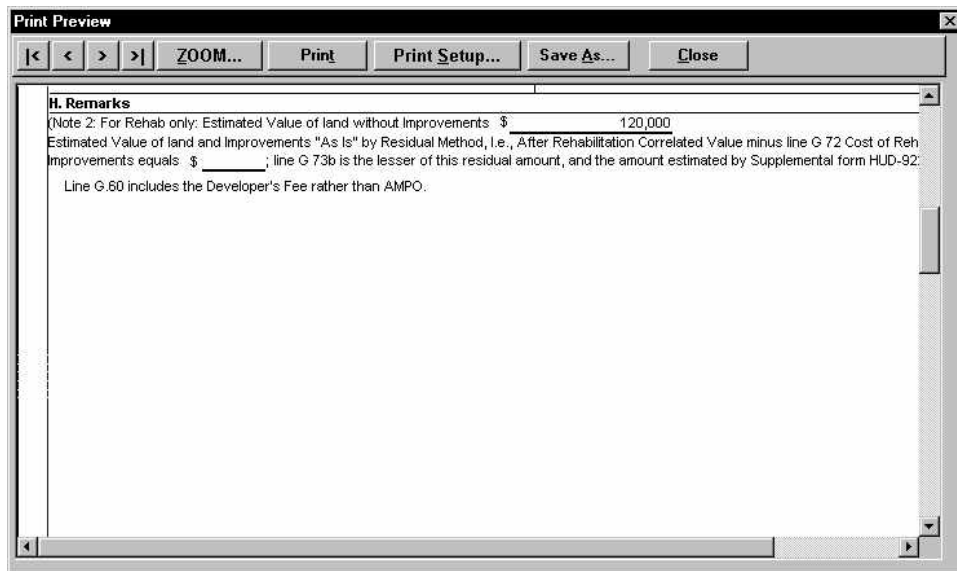


Figure 148. HUD-92264 H

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.10 HUD-92264 I - Estimate of Operating Deficit

HUD-92264 Section I provides an estimate of operating deficit for the project. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **V**iew menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click and HUD-92264, Section I (Figure 149) displays.

Periods	Gross Income	Occup. %	Effec. Gross	Expenses	Net Income	Debt Serv. Reqmt.	
1. 1st () Mos	\$	%	\$	\$	\$	\$	\$
2. 2nd () Mos	\$	%	\$	\$	\$	\$	\$
3. Total Operating Deficit							\$

Previous editions are obsolete

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form HUD
ref Handbooks 441

Figure 149. HUD-92264 I

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.11 HUD-92264 Section J - Project Site Analysis and Appraisal

HUD-92264 Section J provides information about the project site analysis and appraisal. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click and HUD-92264, Section J (Figure 150) displays.

J. PROJECT SITE ANALYSIS AND APPRAISAL: (Attachment)

1. Is Location and Neighborhood Acceptable? ☐ YES ☐ NO

2. Is Site Adequate in Size for Proposed Project? ☐ YES ☐ NO

3. Is Site Zoning Permissive for Intended Use? ☐ YES ☐ NO

4. Are Utilities Available Now to Serve the Site? ☐ YES ☐ NO

5. Is there a Market at this location for the Facility at the proposed Rents? ☐ YES ☐ NO

6. ☐ Site Acceptable for type of Project Proposed under Section 221D3 (if checked, acceptance subject to qualifications listed at the bottom)

7. ☐ Site not acceptable (see reasons stated at bottom of page 6)

Date of Inspection _____ Note: The Effective Date of all land valuations is the date of inspection.

8. Value Fully Improved

	Location of Project 123 Elm Street Atlanta, GA 22222	Location of Property 123 Elm Street Atlanta, GA	Size of Suble
Comparable Sales Address No. 1	Comparable Sales Address No. 2	Comparable Sales Address No. 3	Comparable Sales Address No. 4
Date of Sale			
Sales Price	\$	\$	\$
Size per Sq. Ft.			

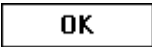
Figure 150. HUD-92264 J

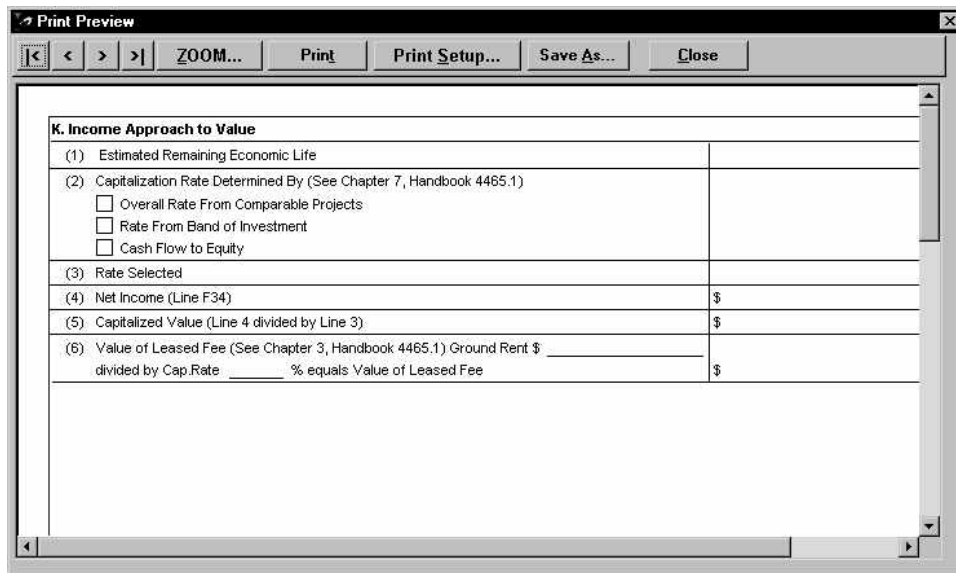
6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.12 HUD-92264 K - Income Approach to Value

HUD-92264 Section K provides information about the income approach to value for the project. You can view, print, and save the report.


To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click  and HUD-92264, Section K (Figure 151) displays.



K. Income Approach to Value	
(1) Estimated Remaining Economic Life	
(2) Capitalization Rate Determined By (See Chapter 7, Handbook 4465.1)	
<input type="checkbox"/> Overall Rate From Comparable Projects <input type="checkbox"/> Rate From Band of Investment <input type="checkbox"/> Cash Flow to Equity	
(3) Rate Selected	
(4) Net Income (Line F34)	\$
(5) Capitalized Value (Line 4 divided by Line 3)	\$
(6) Value of Leased Fee (See Chapter 3, Handbook 4465.1) Ground Rent \$	
divided by Cap.Rate % equals Value of Leased Fee	\$

Figure 151. HUD-92264 K

6. Use the command buttons to view or print the report.
7. Click  to close the report.

6.8.13 HUD-92264 L - Comparison Approach to Value

HUD-92264 Section L provides information about the comparison approach to value for the project. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click and HUD-92264, Section L (Figure 152) displays.

L.Comparison Approach to Value

7.The undersigned has recited three sales of properties most similar and proximate to the subject property and has described and analysed analysis. If there is a significant variation between the subject and comparable properties, the analysis includes a dollar adjustment reflecting reaction to those items or an explanation supported by the market data. If a significant item in the comparable property is superior to , or more than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject property.If a significant item in the property is inferior to , or less favorable than, the subject property, a (+) adjustment is made, thus increasing the indicated value of the subject property. If (1) equals the Sales Price divided by Gross Annual Rent]

Item	Subject Property	Comparable sale No.1		Comparable sale No.2		Comparable sale No.3	
Address:	Marshall 2214th - New 123 Elm Street Atlanta, GA 22222						
Proximity to Subject							
Sales Price	\$0	Unf.	Fun.	Unf.	Fun.	Unf.	Fun.
Sales Price per GBA	\$0.00						
Gross Annual Rent	\$0						
Gross Rent Multiplier(1)*	\$0.00						
Sales Price per Unit	\$0						
Sales Price per Room	\$0						
Data Source							
Adjustments	Description	Description	+ (-) \$ Adjust	Description	+ (-) \$ Adjust	Description	+ (-) \$ Adjust
Sales or Financing							
Concessions							
Date of Sale/Time	01/01/1900						

Figure 152. HUD-92264 L

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.14 HUD-92264 M - To be Completed by Construction Cost Analyst

HUD-92264 Section M provides a list of costs that are not attributable to the use of the dwellings that are being rehabilitated. It also includes an estimate cost of off-site requirements. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click and HUD-92264, Section M (Figure 153) displays.

M. To Be Completed by Construction Cost Analyst	
Cost Not Attributable to Dwelling Use	
10. Parking	\$
11. Garage	\$
12. Commercial	\$
13. Special Ext. Land Improvements	\$
14. Other	\$
15. Total	\$
	%
Total Est. Cost of Off-Site Requirements	
16. Off-Site	Est. Cost
	\$
	\$
	\$
	\$
	\$
17. Total Off-Site Costs	\$

Figure 153. HUD-92264 M

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.15 HUD-92264 N - Signatures and Appraisers Certification

HUD-92264 Section N provides the signatures and appraisers certification for the project. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click and HUD-92264, Section N (Figure 154) displays.

N. Signatures and Appraiser certification			
Architectural Processor	Date	Architectural Reviewer	Date
Cost Processor	Date	Cost Reviewer	Date

I certify that to the best of my knowledge and belief:

- * the statements of fact contained in this report are true and correct.
- * the reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions and conclusions.
- * I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- * my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- * my analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice; HUD Handbook 4465.1, *The Valuation Analysis Handbook for Project Mortgage Insurance*; HUD Handbook 4480.1, *Multifamily Underwriting Forms Catalog*; and other applicable HUD handbooks and Notices.
- * I have made a personal inspection of the property that is the subject of this report.
- * no one provided significant professional assistance to the appraisers signing this report, except for the Architectural and Engineering Cost Estimation professionals signing above. These professionals' estimations of the subject property's dimensions and "hard" replacement costs have been relied upon by the Appraiser and Review Appraiser.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001,1010,1012; 31 U.S.C. 37)

Figure 154. HUD-92264 N

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.16 HUD-92264 O - Remarks and Conclusions

HUD-92264 Section O provides remarks and conclusions about the project. The report also includes information about the assignment versions used to create the form. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click , and HUD-92264, Section O (Figure 155) displays.

O. Remarks and Conclusions (continue on separate page if necessary. Appraisal reports must be kept for a minimum of five y

Cost Remarks

On-Site Demolition Cost	785
Total Cost for all Improvements for Replacement Cost (As-New)	16,250
Contractor's Other Fees	670
Mortgagor's Other Fees	885

Project Site Analysis and Appraisal(Remarks)

PROPERTY ADDRESS: 490 L'Enfant Plaza Washington DC,DC 20023-

PROPERTY INSPECTION

notes

The following assignments have been used to produce this form:

Version Numbers

A&E Version: 1
Cost Version: 1
Valuation Version: 1

Figure 155. HUD-92264 - O

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.17 HUD-92264 O - Valuation Remarks Only

HUD-92264 Section O provides Valuation remarks about the project. The report also includes information about the assignment versions used to create the form. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **V**iew menu.
2. Select **Valuation R**eports, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **P**review radio button.
5. Click , and HUD-92264 - O (Figure 156) displays.

Valuation Remarks Only

All Valuation Remarks Concerning 223(f) Projects

Actual Occupancy Percentage	= 0
Actual Occupancy Units	= 0
Estimate of Time Required to Reach Sustaining Occupancy	= 0 months
Initial Deposit to the Replacement Reserve	= \$75,000
Total Required Repairs	= \$1,091,600
Estimated Title and Recording Fee	= \$
Estimated Legal Fee	= \$
Estimated Organization Fee	= \$
Appraisal Fee	= \$
Phase I Fee	= \$

Project Site Analysis and Appraisal (Remarks)

PROPERTY ADDRESS: 1405 Shelby Drive Memphis, TN 38141-5555
 PROPERTY ADDRESS: 1410 Shelby Drive Memphis, TN 38141-5555

The following assignments have been used to produce this form:

Version Numbers:

A&E Version:	1
Cost Version:	1
Valuation Version:	1

Figure 156. HUD-92264 O – Valuation Remarks

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.18 HUD-92264-A - Trial Project Analysis

HUD-92264-A provides a breakdown of the determination of maximum mortgage criteria, the total requirements for settlement, and source of funds to meet cash requirements. It also includes the assignment version numbers used to produce the form and any recommendations, requirements, and remarks. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click **OK**, and HUD-92264-A (Figure 157) displays.

The screenshot shows a 'Print Preview' window for the HUD-92264-A Supplement to Project Analysis form. The window has a title bar with 'Print Preview' and standard window controls. Below the title bar is a toolbar with buttons for navigation (back, forward, zoom), printing (Print, Print Setup...), saving (Save As...), and closing (Close). The form itself is titled 'Supplement to Project Analysis' and includes the following fields and sections:

- Application Processing Stage:** U.S. Department Of Housing And Urban Development, Office of Housing, Federal Housing Commissioner.
- Section or Title Number:** 221(d)(4) Mkt. Rate - Delegated.
- Valuation Trial:** ☒ Valuation Trial, ☐ Conditional, ☐ Firm.
- See last page for Public Reporting burden statement before completing this form**
- Name of Mortgagor (Borrower):** Project Name: Master Independence Tower, Location of Project: 110 Independence Drive Baltimore, MD 22122.
- Project No.:** 05235
- Type of Borrower:** ☐ Private, ☒ Profit, ☐ Public, ☐ Nonprofit, ☐ State or Federal Instrument, ☐ Management Coop., ☐ Sales Coop., ☐ Investor-Sponsor, ☐ Builder-Seller, ☐ Limited Distribution.
- Type of Project:** ☒ Rental Housing, ☐ Mobile Home Court, ☐ Board and Care, ☐ New Construction, ☐ Non-I, ☐ Cooperative, ☐ Nursing Home, ☐ Single Rm. Occupancy, ☒ Rehabilitation, ☐ Elev, ☐ Condominium, ☐ Intermediate Care Facility, ☐ Redevelopment, ☐ Existi, ☐ Capital Advance 202/811, ☐ Housing for the Elderly, ☐ Supplement Loan.

Figure 157. HUD-92264-A Supplement to Project Analysis

6. Use the command buttons to view or print the report..
7. Click **Close** to close the report.

6.8.19 HUD-92264 - Multifamily Summary Appraisal Report (Market Value)

HUD-92264 displays the complete Multifamily Summary Appraisal Report based on Market Rate Rents. This report is valid only for 223f projects with Project based Section 8 rent, Low-Income Housing Tax Credits (LIHTC) and/or Tax Exempts Bonds. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click , and HUD-92264 (market value) (Figure 158) displays.

Valuation Form 2264

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-03
(exp. 3/31/200)

This form is in compliance with the requirements of the Uniform Standards of Professional Appraisal Practice for written reports, except where the Jurisdictional Exception is invoked to allow for minor deviations, as noted throughout.
Additional technical direction is contained in the HUD Handbooks referenced in the lower right corner.

Application Processing Stage
☐ SAMA
☐ Feasibility (Rehab)
☒ Firm
☐ Fee Simple
☐ Leasehold

Project Name: 223f Replacement Cost
Project Number: 06111008

Purpose: This appraisal evaluates the subject property as security for a long-term insured mortgage. Included in the appraisal (consultation for Section 221) are the analyses of market need, location, earning capacity, expenses, taxes, and warranted cost of the property.
Scope: The Appraiser has developed, and hereunder reports, conclusions with respect to: feasibility; suitability of improvements; extent, quality, and duration of earning capacity; the value of real estate proposed or existing as security for a long-term mortgage; and several other factors which have a bearing on the economic soundness of the subject property.

A. Location and Description of Property

1. Street Nos.: 8798787
2. Street: Mike Steet
3. Municipality: Mike Steet
4a. Census Tract No.: 878978
4b. Placement Code: 8978
4c. Legal Description (Optional):
5. County: AL
6. State and Zip Code: 65465
7. Type of Project:
☐ Highrise
☒ Walkup
☐ 2-5 sty. Elev.
☐ Row House
☐ Detached
☐ Semi-Detached
☐ Town House
8. No. Stories: 1
9a. Foundation:
☐ Slab on Grade
☐ Full Basement
☒ Partial Basement
☐ Crawl Space
9b. Basement Floor:
☒ Structural Slab
☐ Slab on Grade
10. ☐ Proposed
☒ Existing
11. Number of Units:
Revenue: 250
Non - Rev.: 1
12. No. of Bldgs.: 1
13a. List of Accessory Buildings and Area:

Figure 158. Multifamily Summary Appraisal Report (Market Value)

6. Use the command buttons to view or print the report.
7. Click to close the report.

6.8.20 HUD-92264-T - Rent Estimate for Low/Moderate Income Units

HUD-92264-T provides a breakdown of the analysis used to determine the monthly rent amount of restricted units by unit type. You can view, print, and save the report.

To generate the report:

1. From the **Valuation Main Menu** window, select the **View** menu.
2. Select **Valuation Reports**, and the **Valuation Reports** window (Figure 139) displays.
3. Select the report.
4. Select the **Preview** radio button.
5. Click , and HUD-92264-T (Figure 159) displays.

Rent Estimates for Low/Moderate Income Units

Non-Section 8 Project
Involving Tax-Exempt Financing
or Low Income Housing Tax Credits

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0331
(exp. 3/31/2002)

FHA/ Project Number: 13035139

Public reporting burden for this collection of information is estimated to average six minutes per response, including the time for reviewing instruction searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This information is being collected under Public Law 101-625 which requires the Department of to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rents, proper appraisals, and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm in accord with the Freedom of Information Act (FOIA) provision or if it could impact on the ability of the Department's mission to provide housing unit under the various Sections of the Housing legislation.

	0 Bedrooms	1 Bedrooms	2 Bedrooms	3 Bedrooms	4 Bedrooms	#
1. Rent by Market Comparison			1200			1
2. Personal Benefit Expense (if any)						1
3. The Percentage of Median Income (adjusted for family size) used for income limits 40% , 50% , 60% (circle only one, then enter the			34000			1

Figure 159. HUD-92264-T

6. Use the command buttons to view or print the report.
7. Click to close the report.